



Housing and Community Assessment

Northern West Central Region

May 2014

Our Mission:

Minnesota Housing finances affordable housing for low- and moderate-income households while fostering strong communities.

Assessment Framework: Need for Affordable Housing

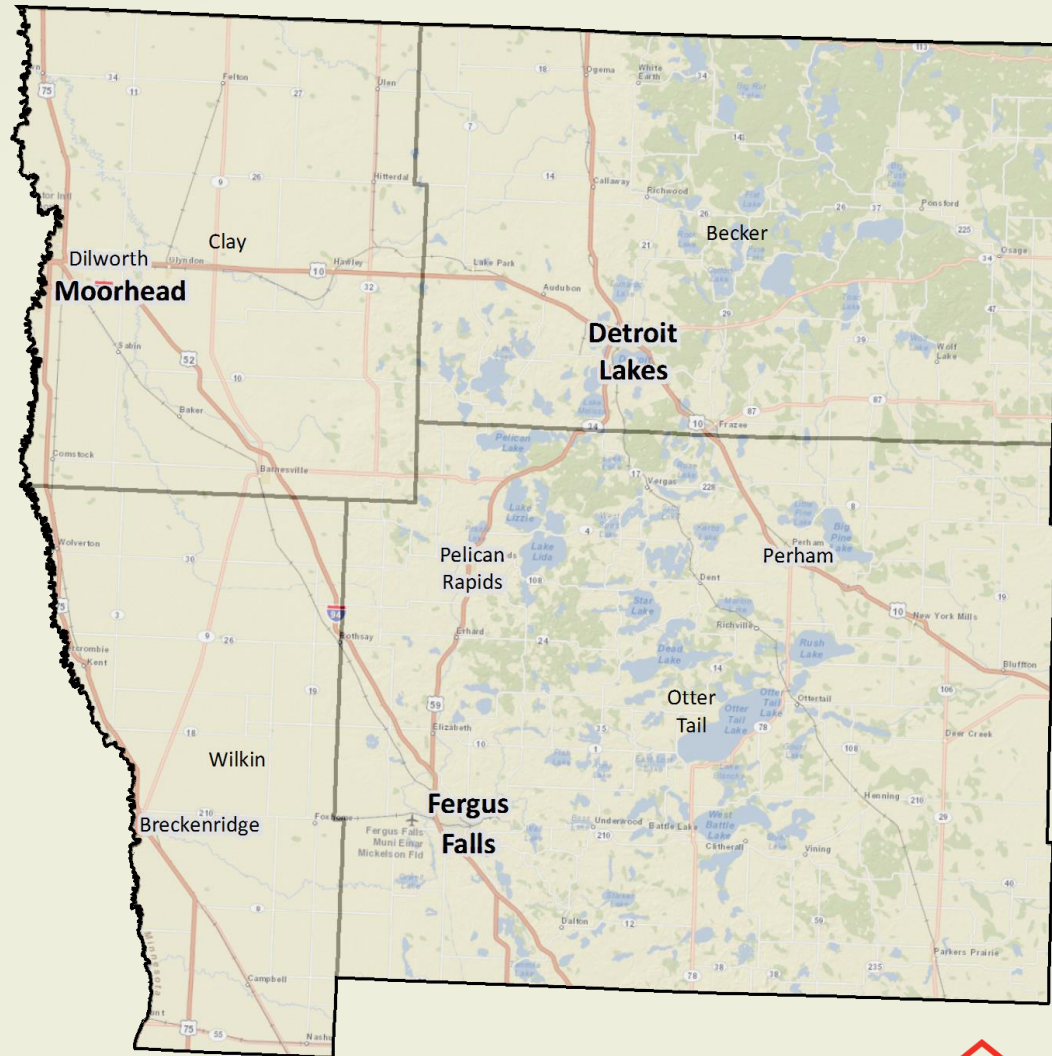
- Reducing number of cost burdened households:
 - Spending less than 30% of income on housing
 - Focusing on low- to moderate-income
 - Less than \$50,000
 - Generally, 60% to 100% of AMI
- Fostering strong communities:
 - Workforce housing
 - Community recovery and stabilization

Cost Burden Assessment Overview

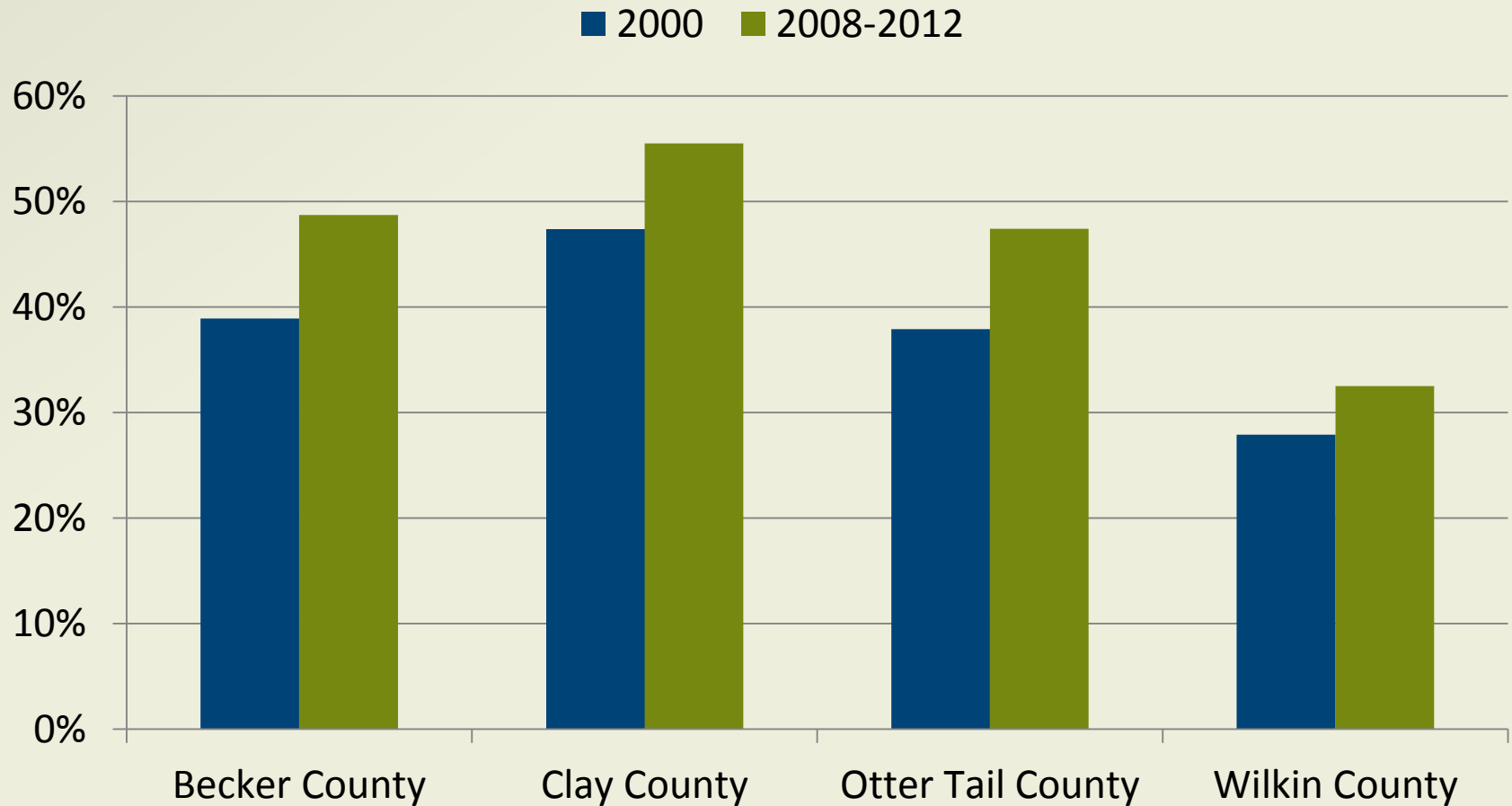
- Overall Trends:
 - Getting worse
 - Increase in percentage who are cost burdened (2000-2012)
 - Low- and moderate-income households struggling the most

Population Distribution

	Population 2012	Share of County
Becker County	32,600	
- Detroit Lakes	8,615	26.4%
Clay County	59,937	
- Moorhead	38,091	63.6%
- Dilworth	3,996	6.7%
Otter Tail County	57,381	
- Fergus Falls	13,220	23.0%
- Pelican Rapids	2,611	4.6%
- Perham	2,988	5.2%
Wilkin County	6,584	
- Breckenridge	3,385	51.4%
Total	156,502	

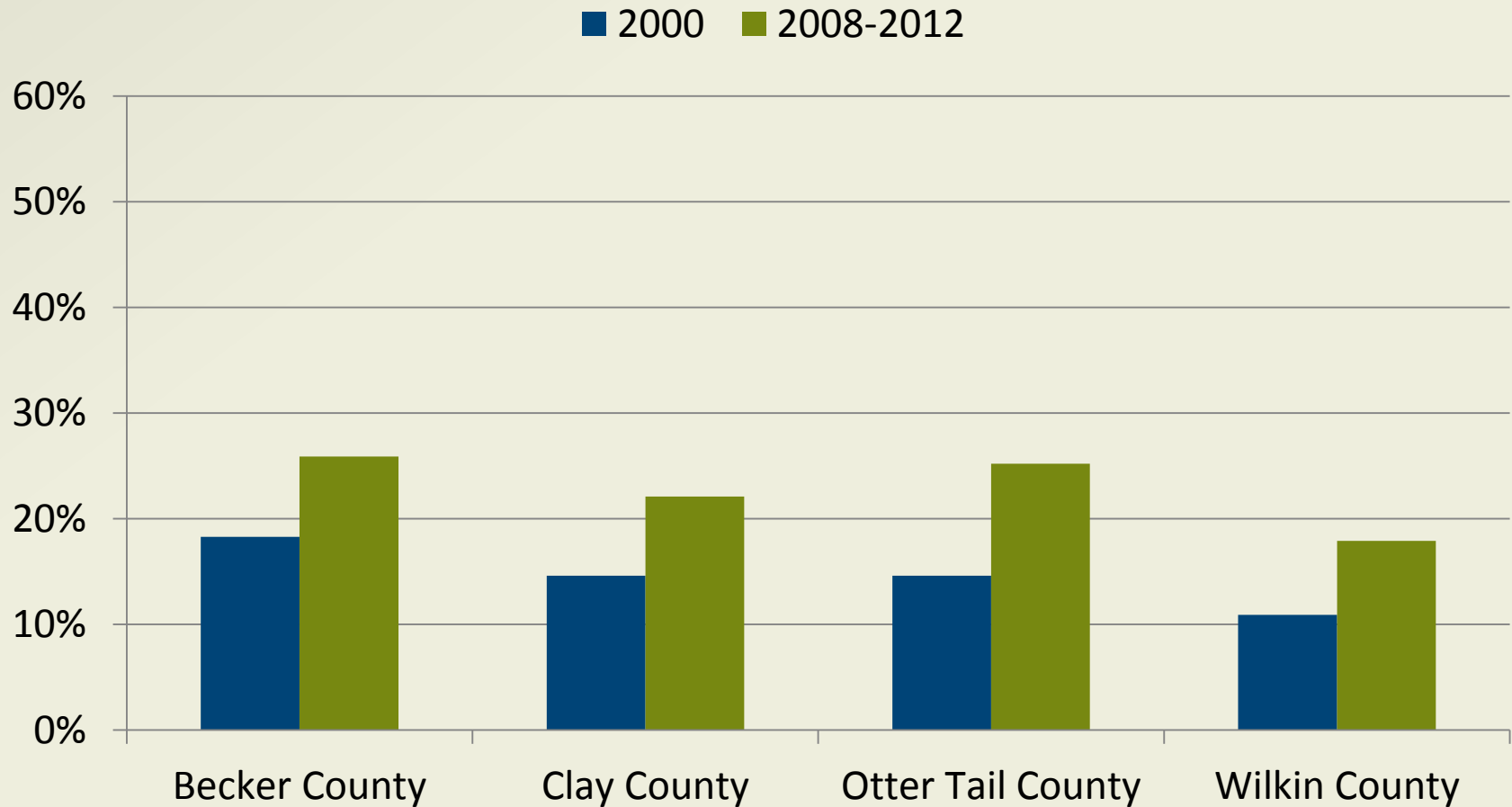


% of All Renters Who Are Cost Burdened



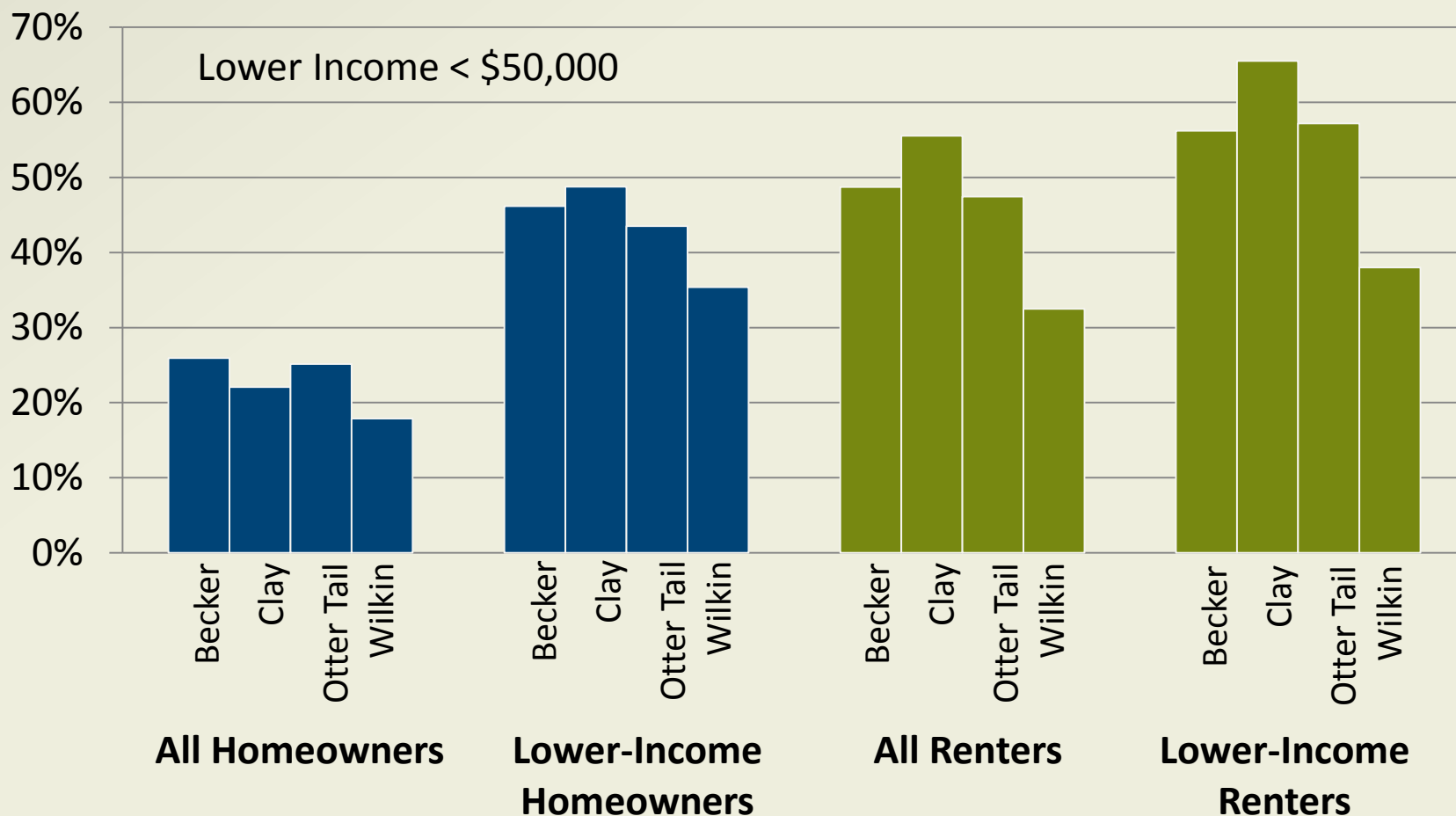
SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey

% of All Owners Who Are Cost Burdened



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey

% of Lower Income Households Who Are Cost Burdened – 2008-12



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – American Community Survey

Cost Burden Assessment

Overview

Cost burdened is based on:

- Housing costs
- Income

Cost Burden Assessment

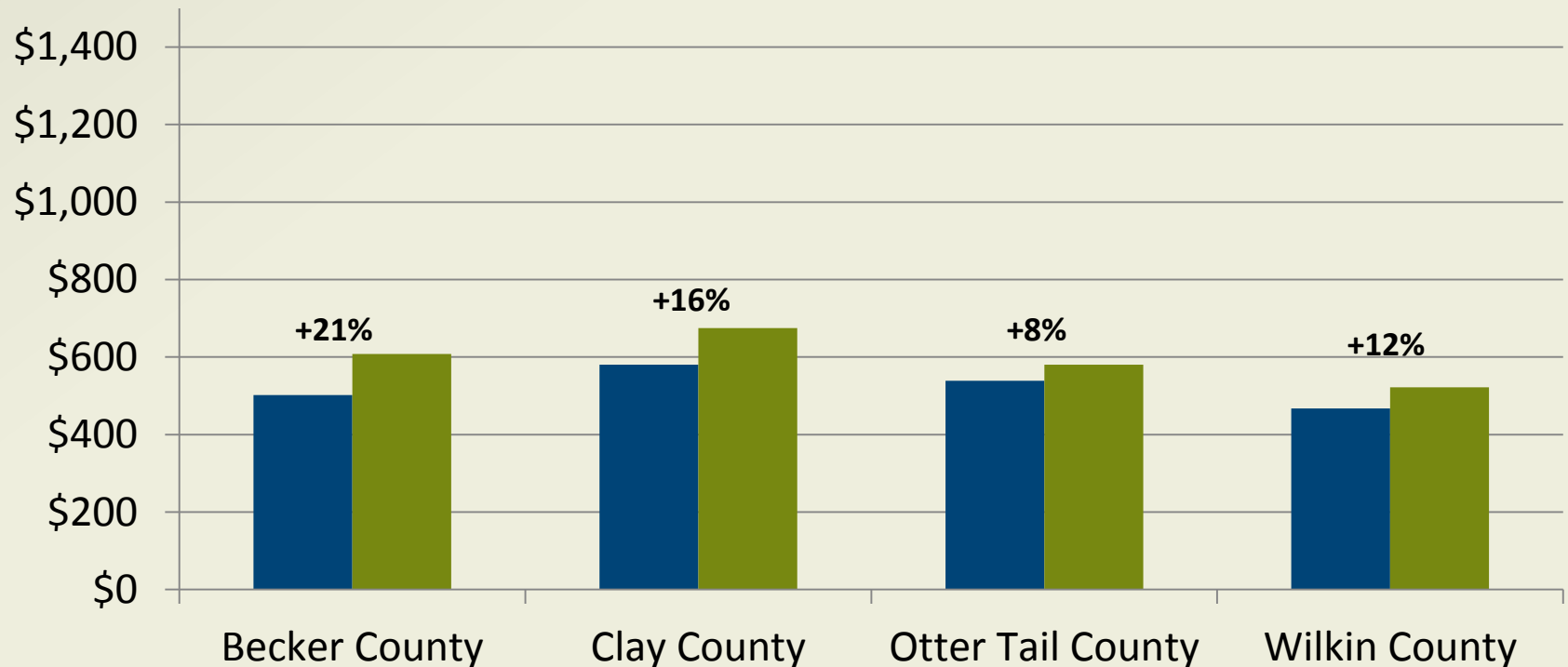
Overview

Cost burdened is based on:

- Housing costs:
 - Increased across the region, particularly for homeowners (2000-2012)
 - Key contributor to increasing burden
- Income

Median Monthly Gross Rent (inflation adj. – 2012 \$)

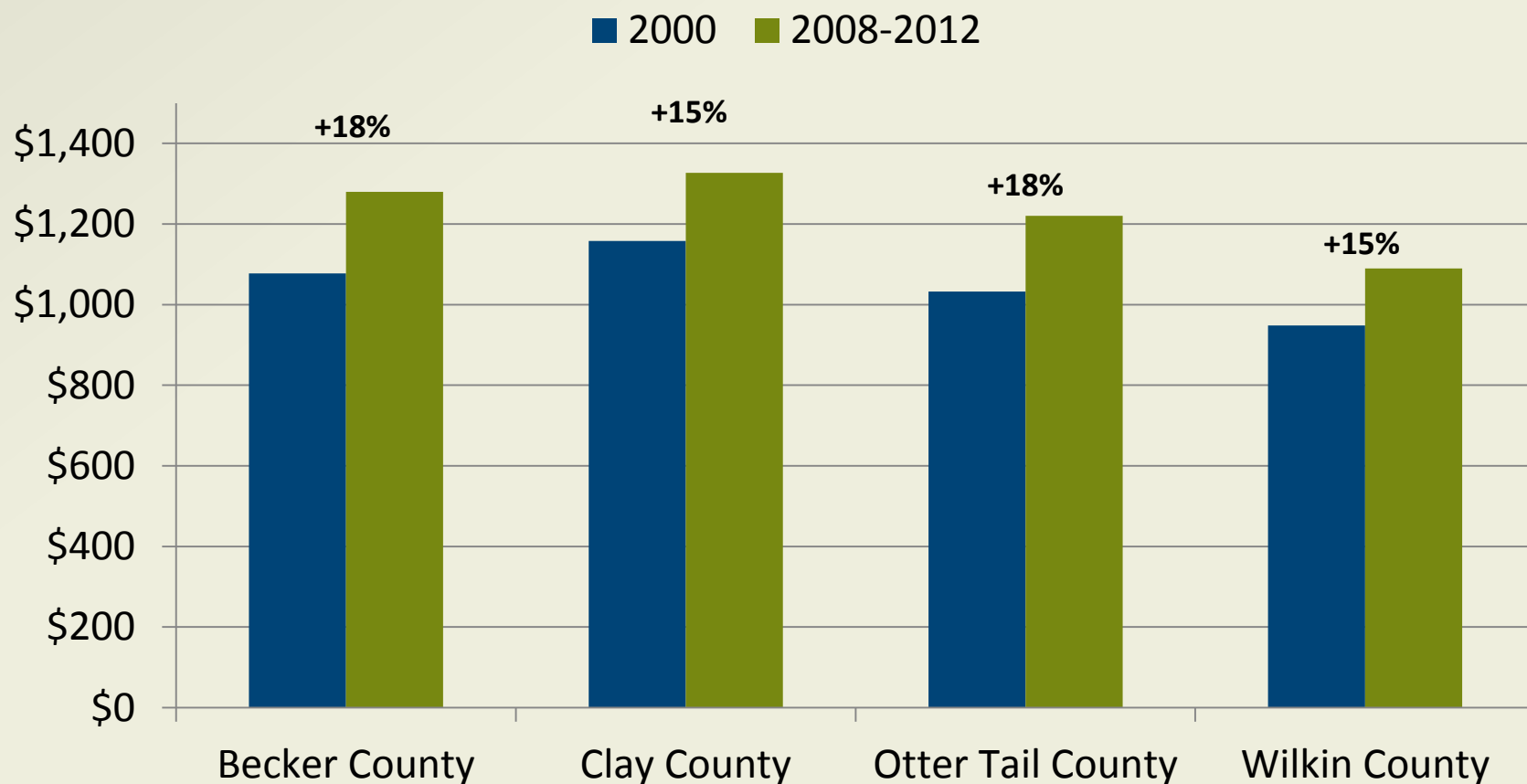
■ 2000 ■ 2008-2012



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Median Monthly Homeowner Costs

(inflation adj. – 2012 \$)



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey.

Cost Burden Assessment

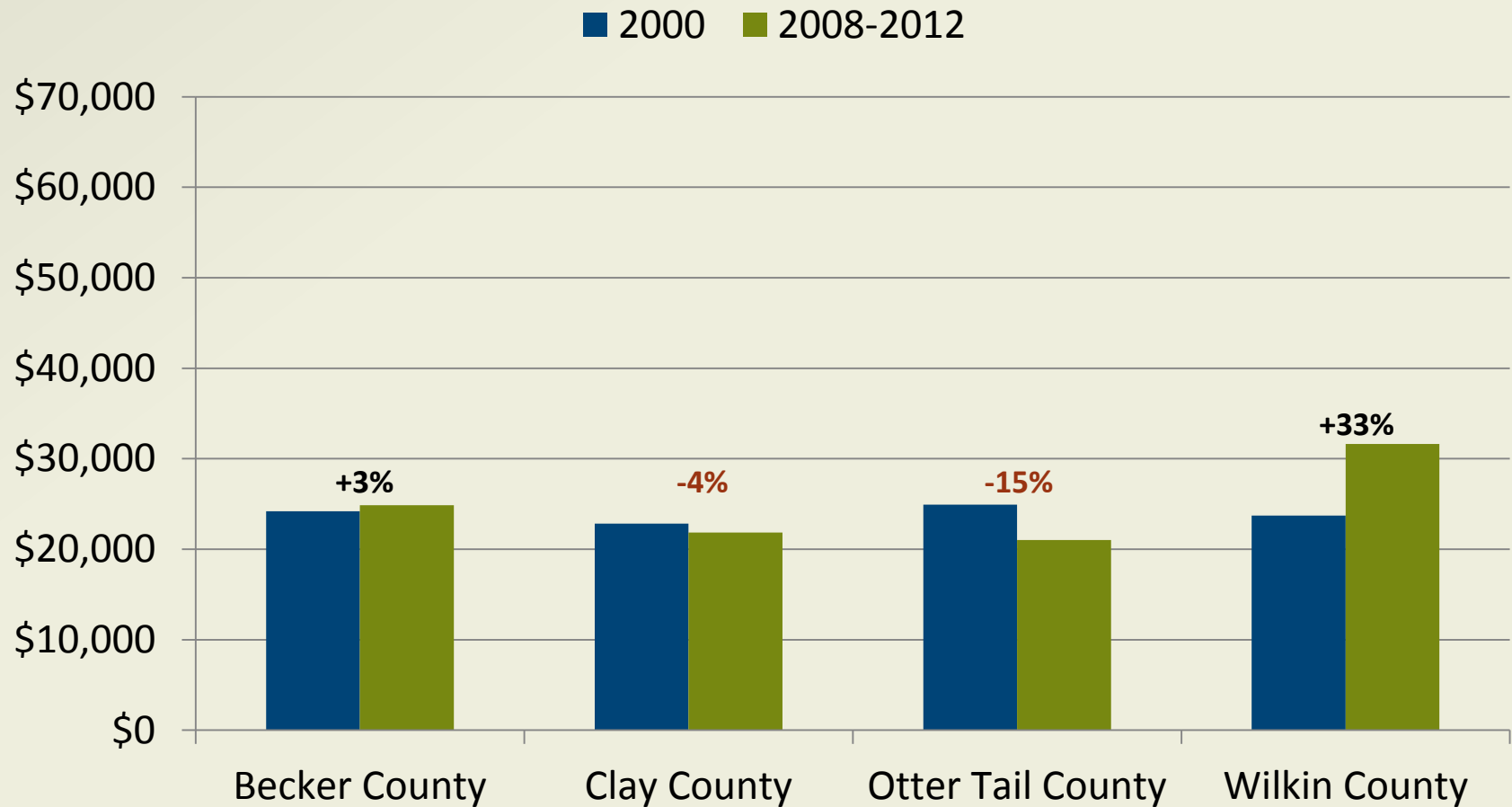
Overview

Cost burdened is based on:

- Housing costs
- Income:
 - Decreased overall
 - Also contributing to increasing burden

Median Renter Household Income

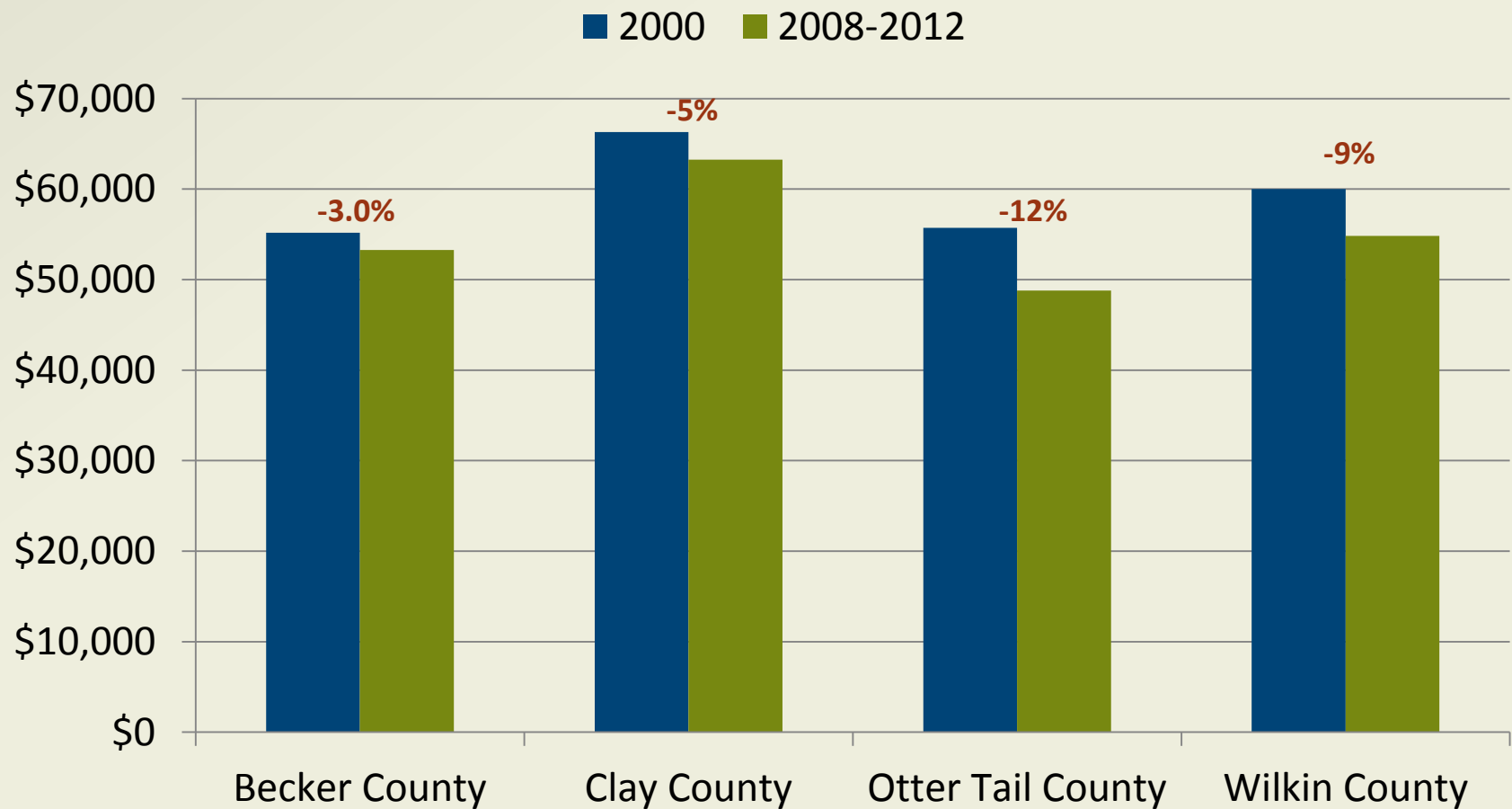
(inflation adj. – 2012 \$)



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey

Median Owner Household Income

(inflation adj. – 2012 \$)



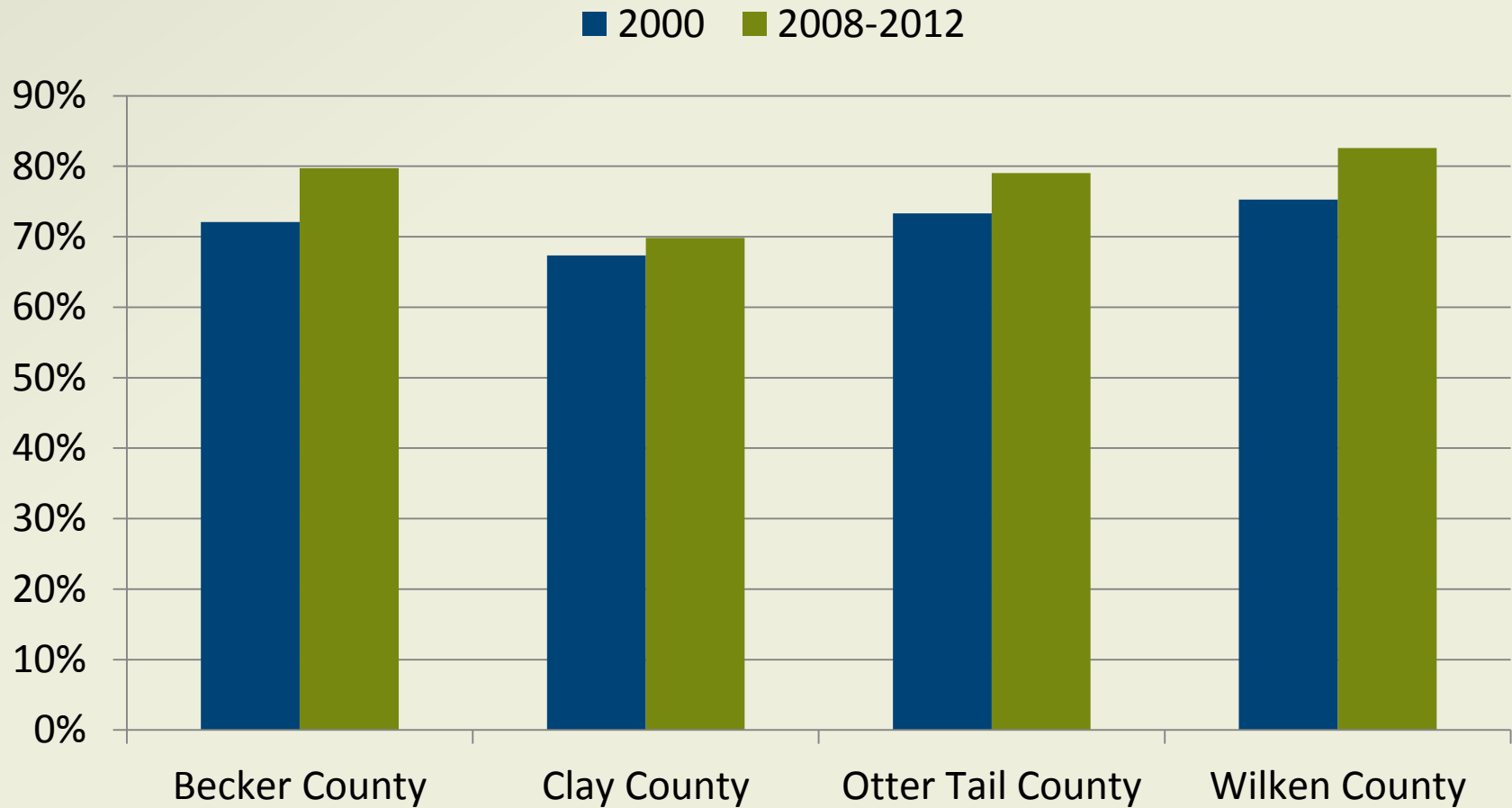
SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey

Owning versus Renting

Overview

- Owning vs. Renting:
 - Vast majority are homeowners
 - Homeownership rate increased in the area (2000-12)

Homeownership Rates



SOURCE: Minnesota Housing analysis of data from U.S. Census Bureau – Decennial Census and American Community Survey

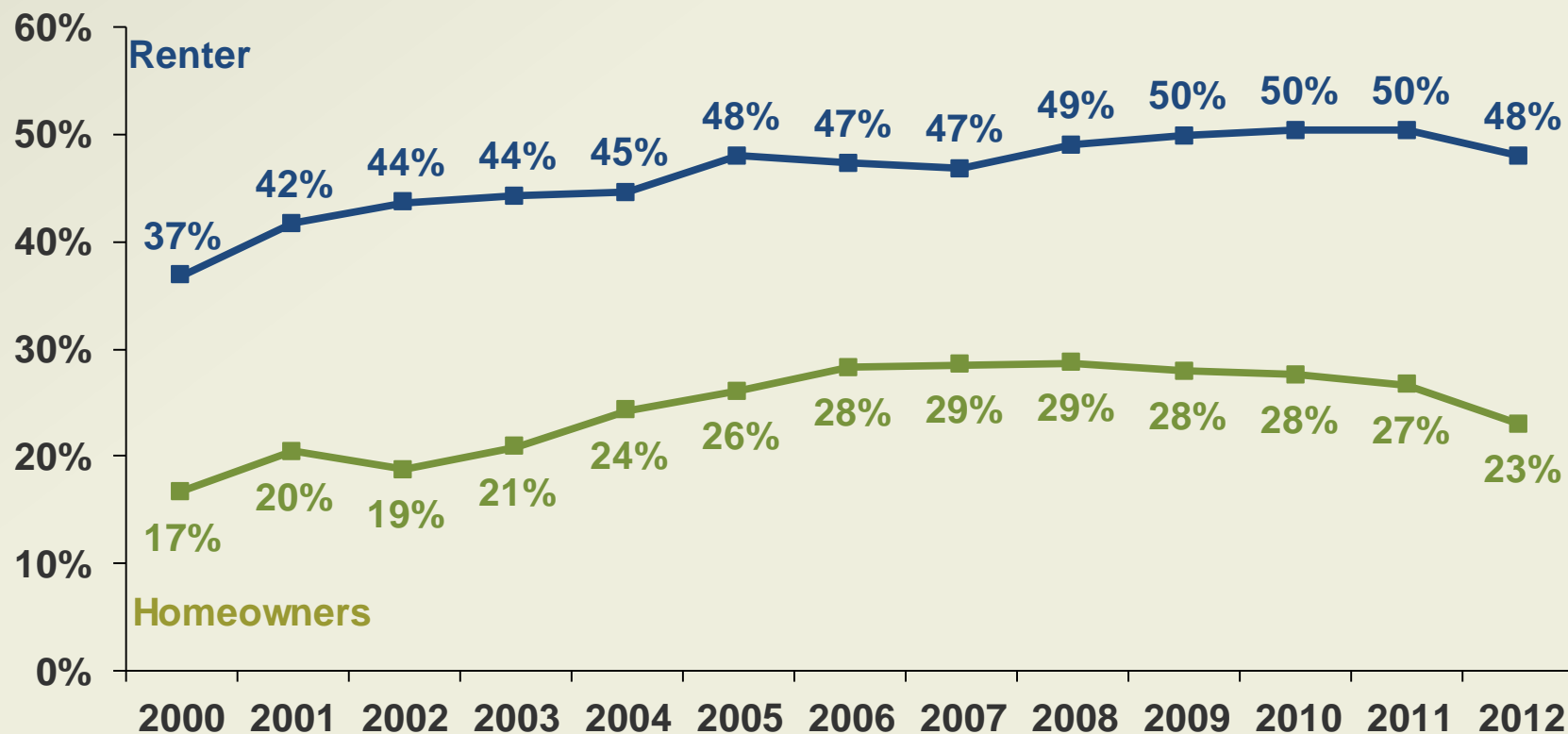
Cost Burden Assessment

Details

Cost burdened is based on:

- **Housing costs**
 - Home prices
 - Rent levels
 - Demand – household growth
 - Supply - inventory
- **Income**
 - Employment
 - Wages

Statewide: Percentage of Households Cost Burdened



Source: Census Bureau, 2000 Decennial Census and American Community Survey (2001-2012)

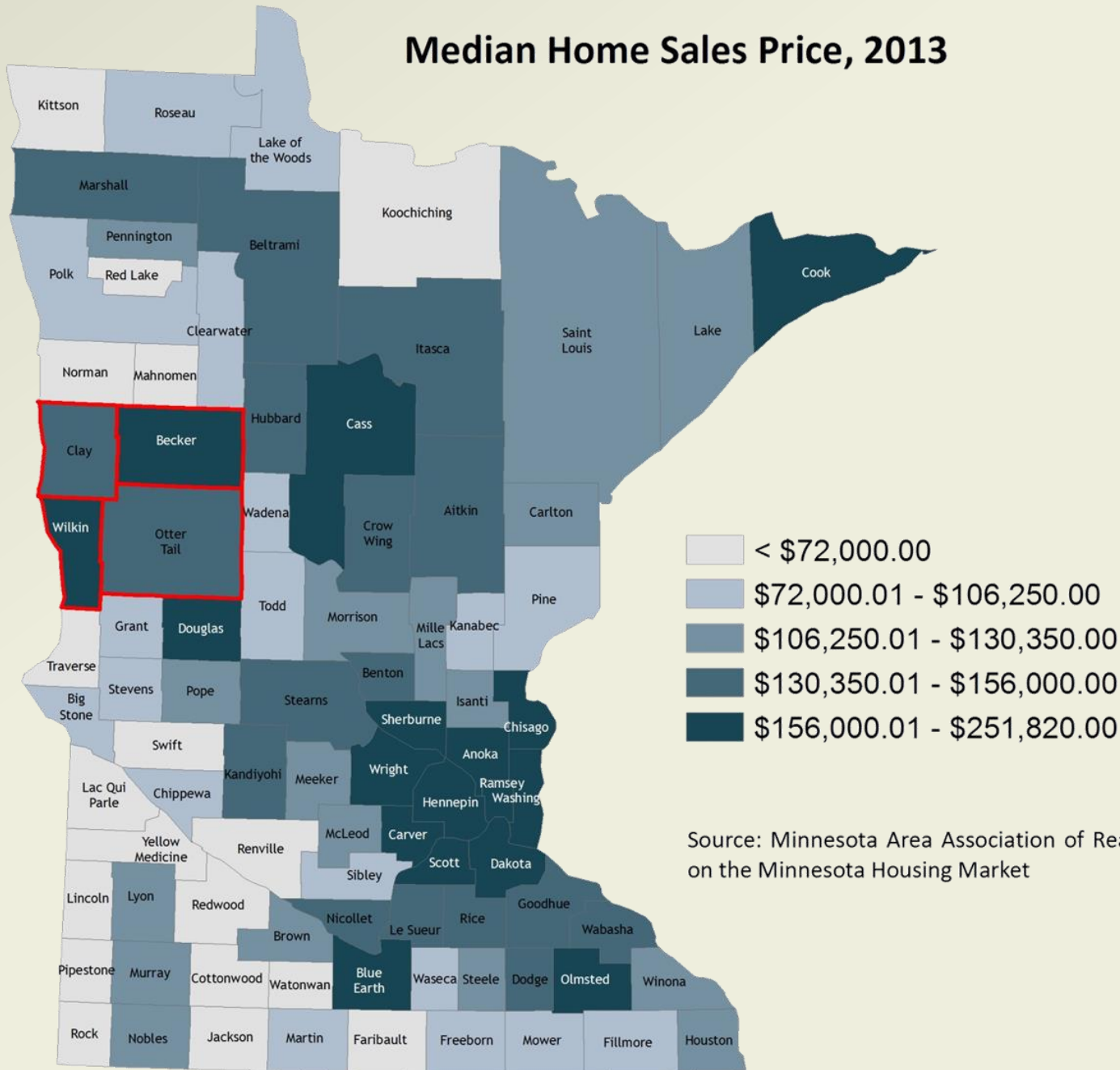
Cost Burden Assessment

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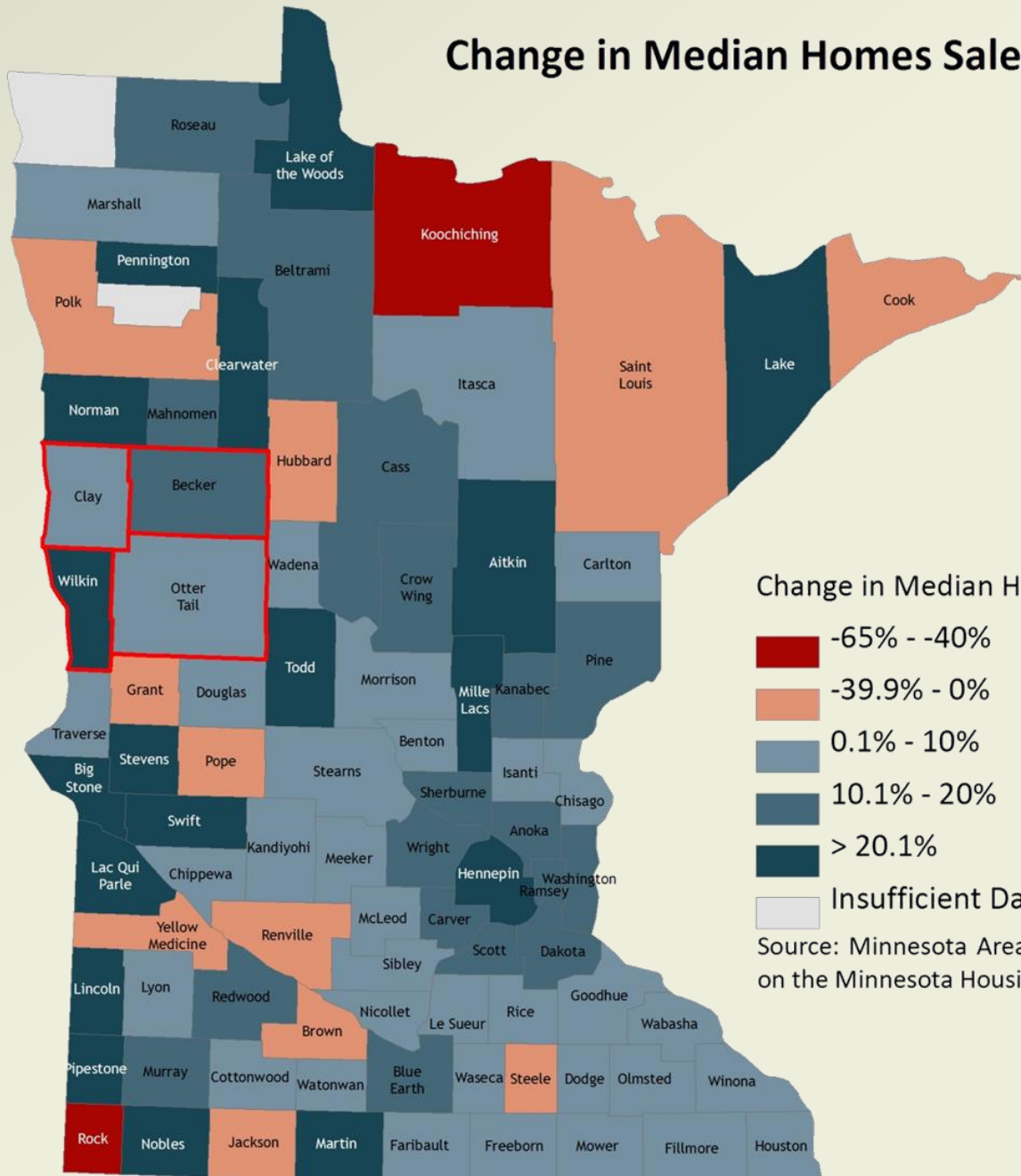
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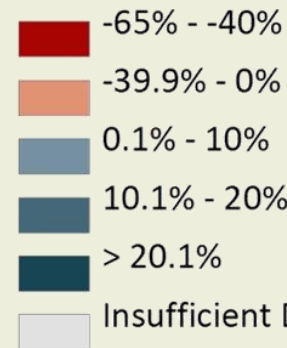
Median Home Sales Price, 2013



Change in Median Homes Sales Price, 2009-2013

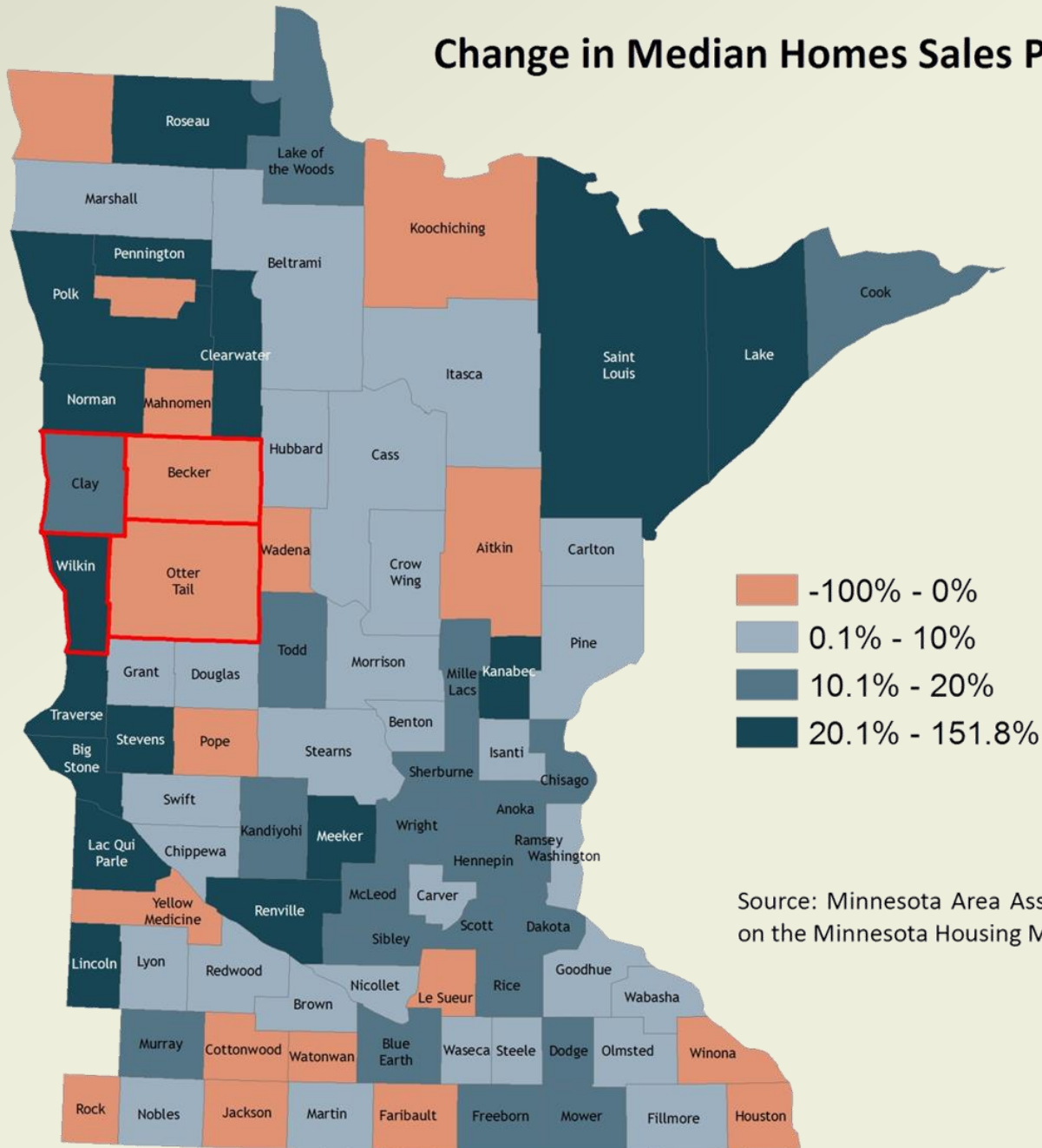


Change in Median Homes Sales Price, 2009-2013



Source: Minnesota Area Association of Realtors 2013 Annual Report on the Minnesota Housing Market

Change in Median Homes Sales Price, 2012-2013



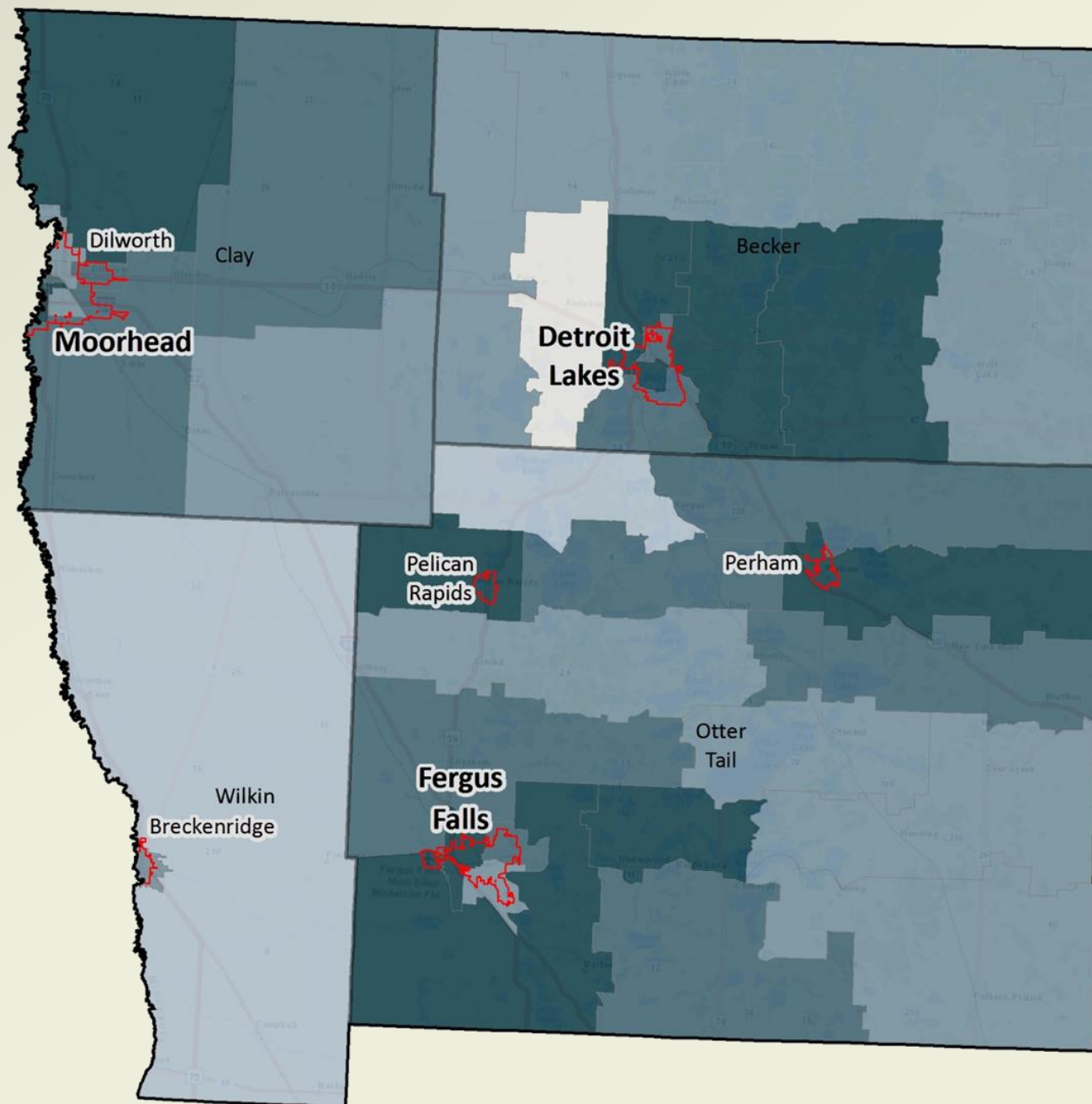
Source: Minnesota Area Association of Realtors 2013 Annual Report on the Minnesota Housing Market

Cost Burden Assessment Details

Cost burdened is based on:

- **Housing costs**
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Median Rent, 2012

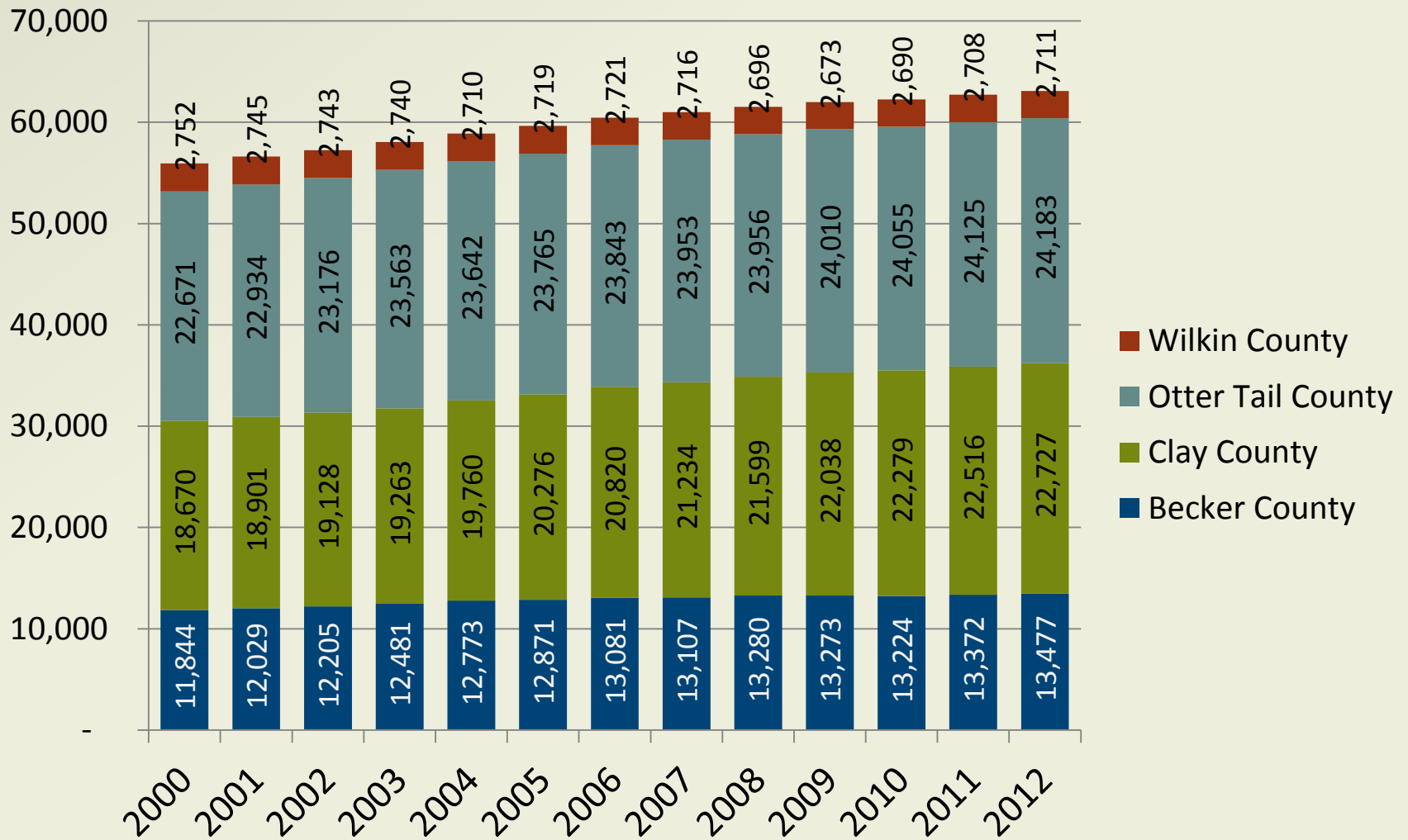


Cost Burden Assessment Details

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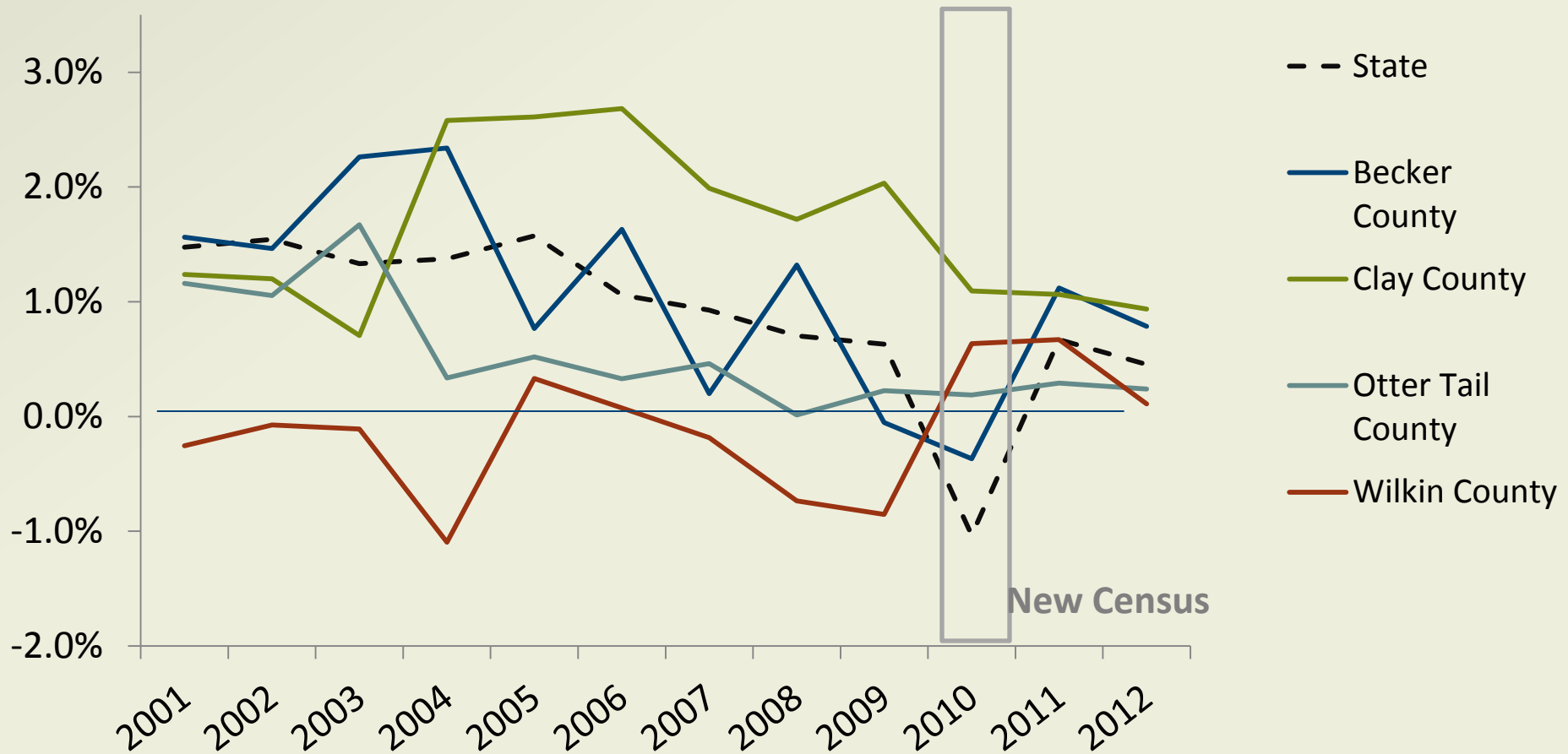
- **Housing costs**
 - Home prices
 - Rent levels
 - **Demand – household growth**
 - Supply - inventory
- **Income**
 - Employment
 - Wages

Number of Households



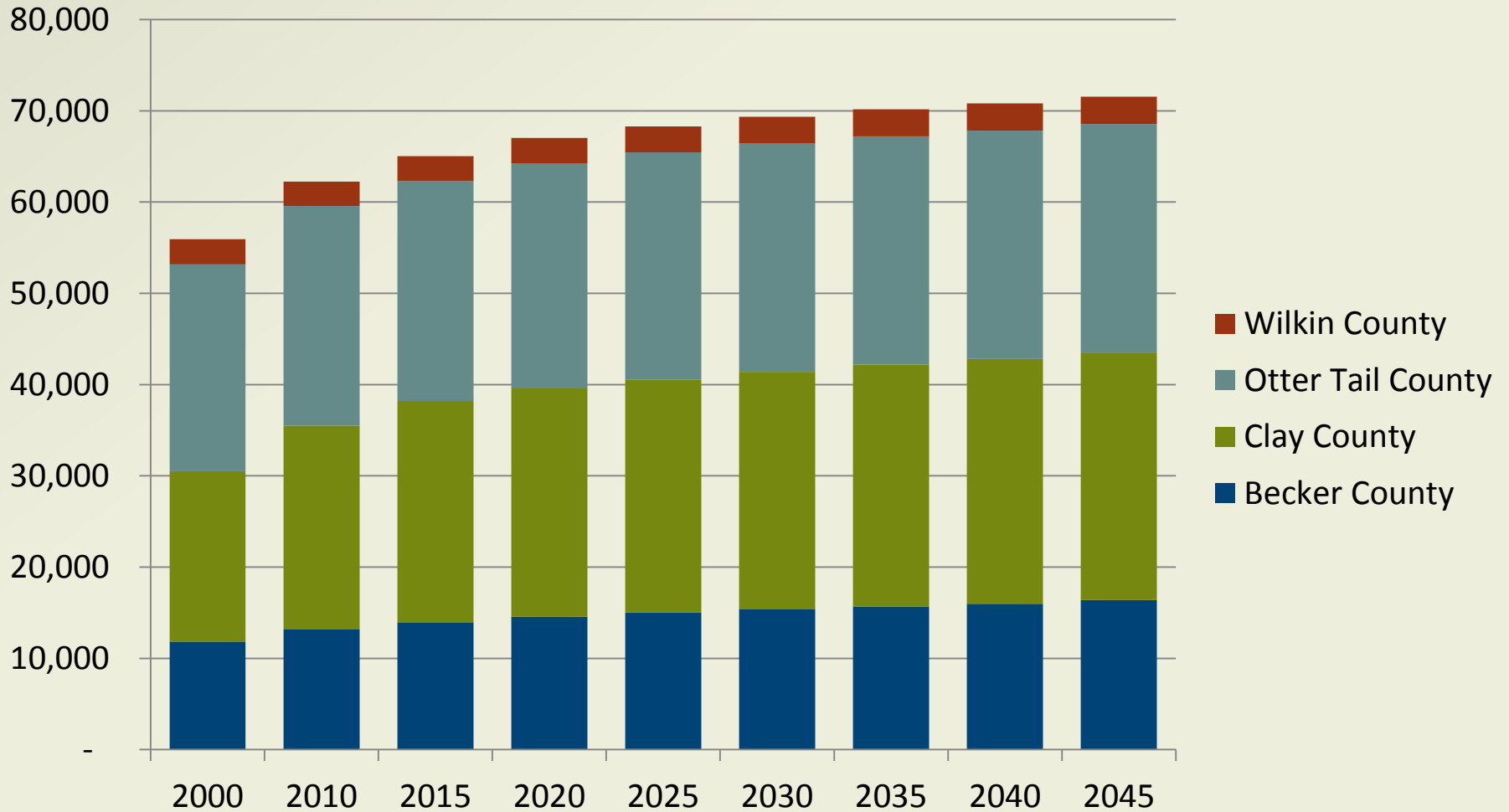
SOURCE: Minnesota Housing analysis of data from Minnesota State Demographer

Household Formation: % Change in Households



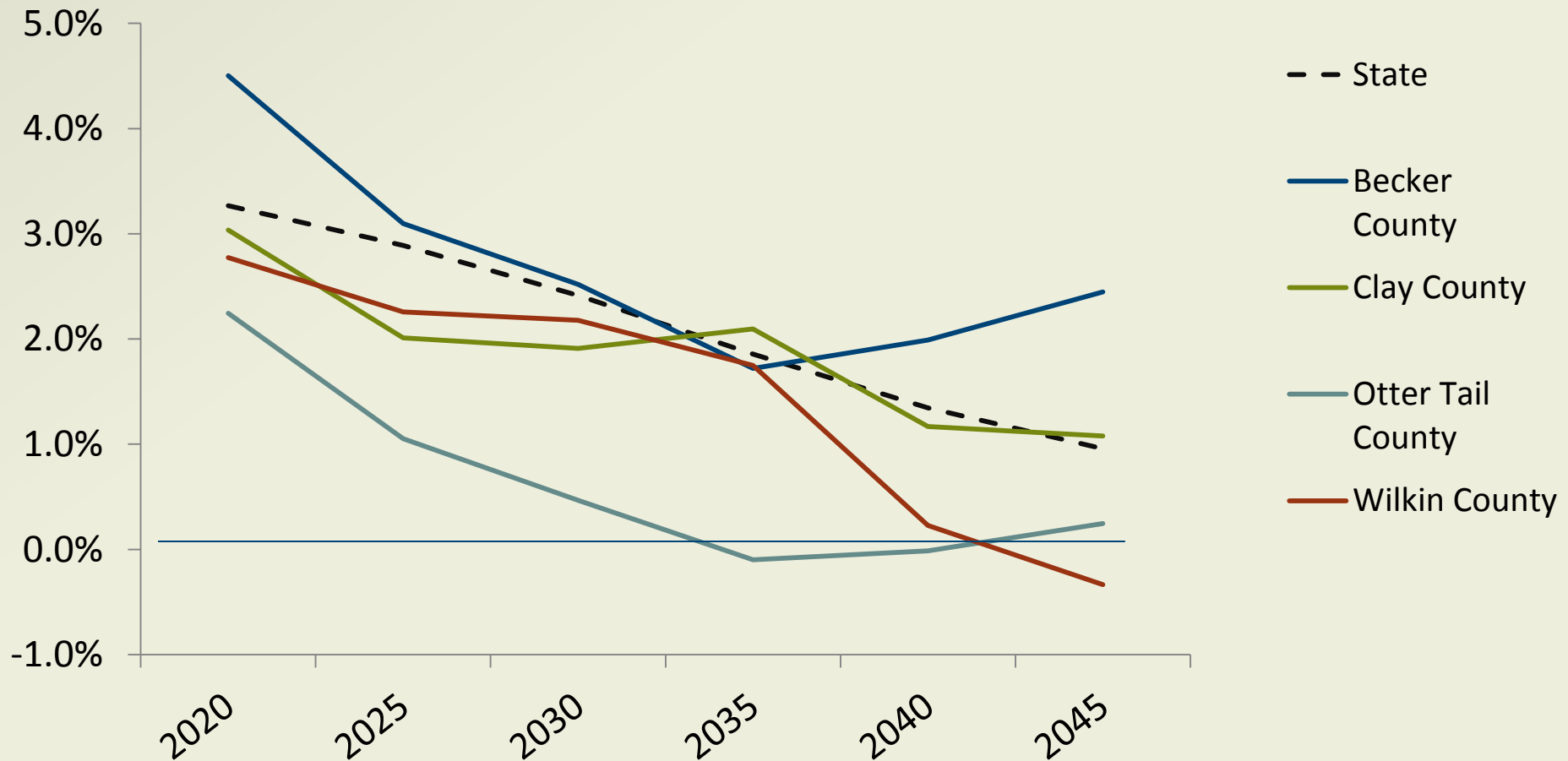
SOURCE: Minnesota Housing analysis of data from Minnesota State Demographer

Projected Households



SOURCE: Minnesota Housing analysis of data from Minnesota State Demographer

Projected Household Formation: % Change in Households



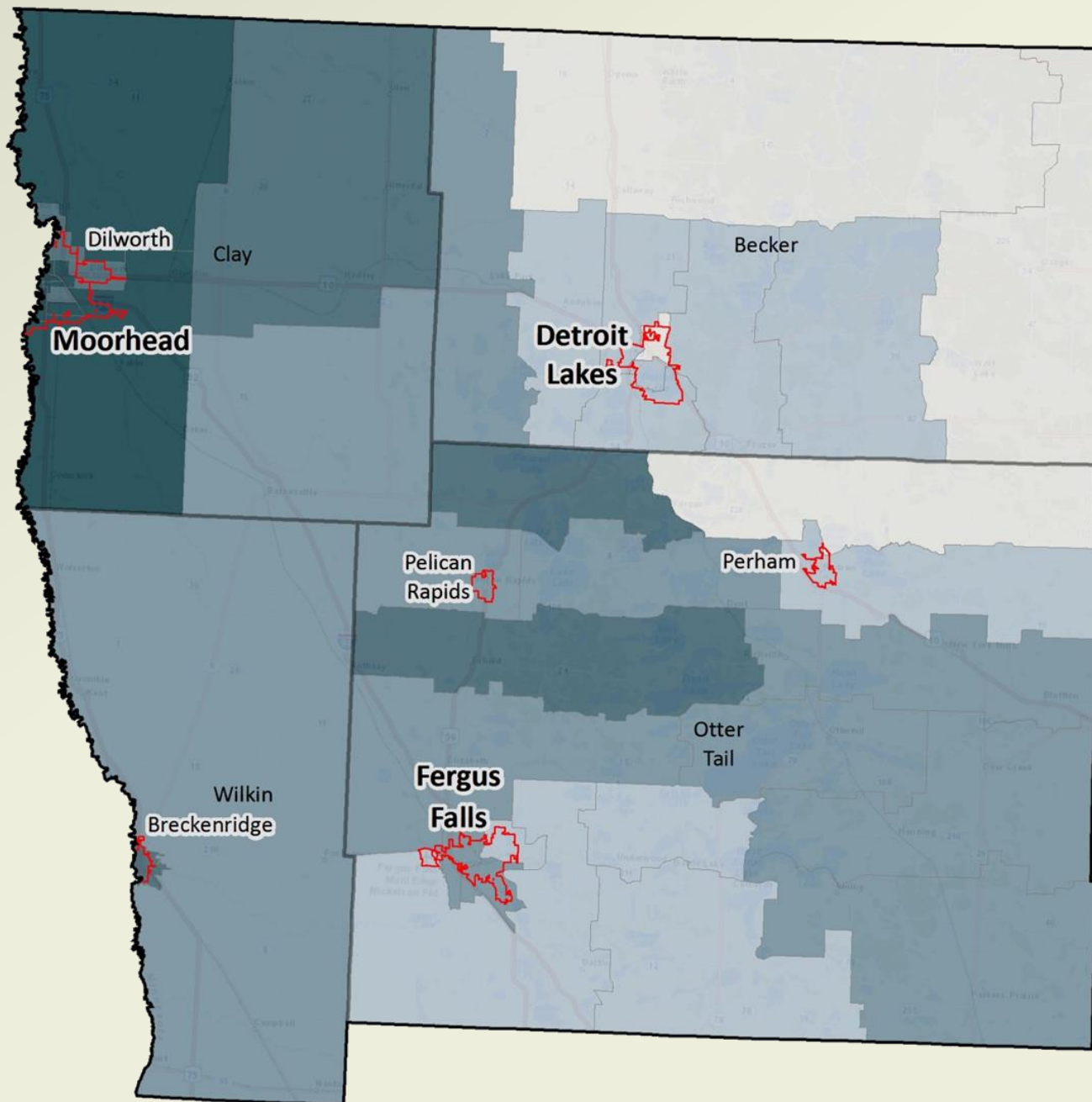
SOURCE: Minnesota Housing analysis of data from Minnesota State Demographer

Cost Burden Assessment Details

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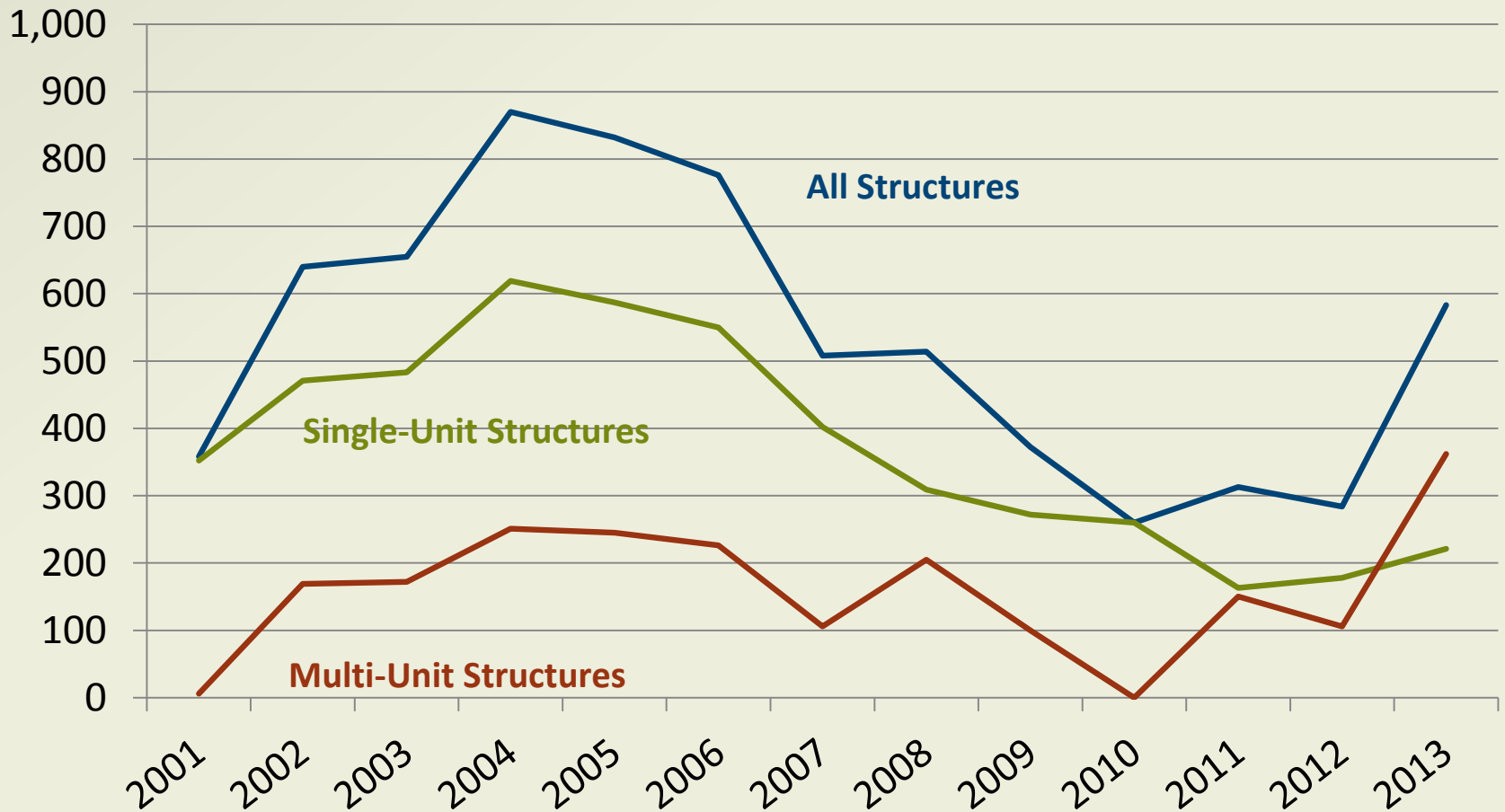
Median Age of Housing Stock, 2012



Source: Minnesota Housing analysis of American Community Survey 2008-2012 5 year sample

Region: Building Permits

Number of Units



SOURCE: Minnesota Housing analysis of data from U.S. Department of Housing and Urban Development – State of the Cities Data Systems

Summary of Housing Costs:

Details

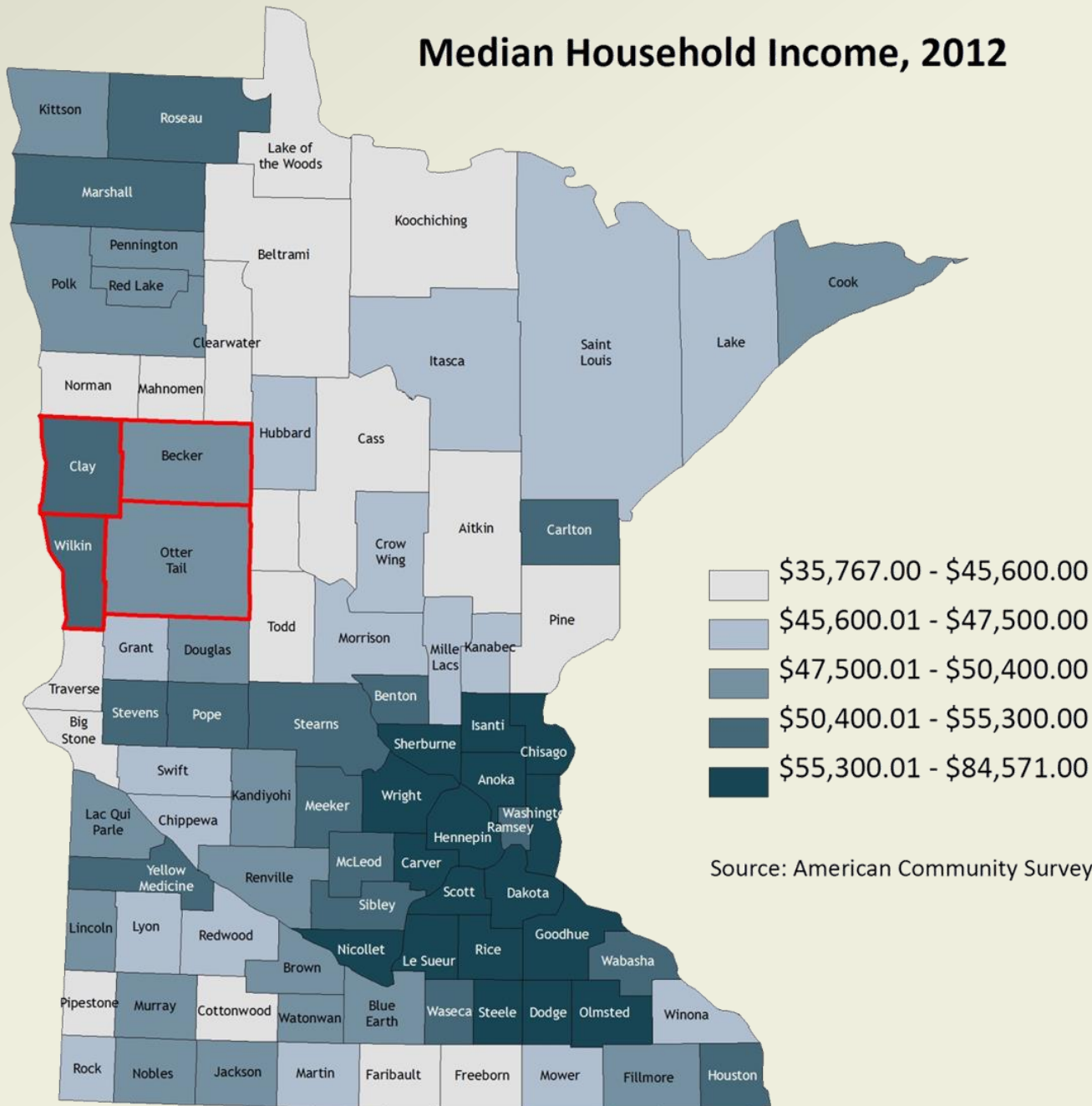
- Home Sales Prices are high in this region compared to other Greater Minnesota counties.
- Rents are highest in communities surrounding cities of Moorhead, Detroit Lakes, Fergus Falls and Perham.
- Household growth in these counties is highest in Clay and Becker (which outpace the state). Recent increases in Wilkin while Otter Tail's growth has been flat.
- Overall, housing construction has declined since 2000, with 2013 showing the first sign of increases.
- The limited supply of new housing since the recession started combined with modest household growth will put upward pressure on housing prices and rents especially.

Cost Burden Assessment Details

Cost burdened is based on:

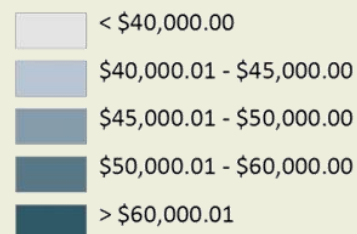
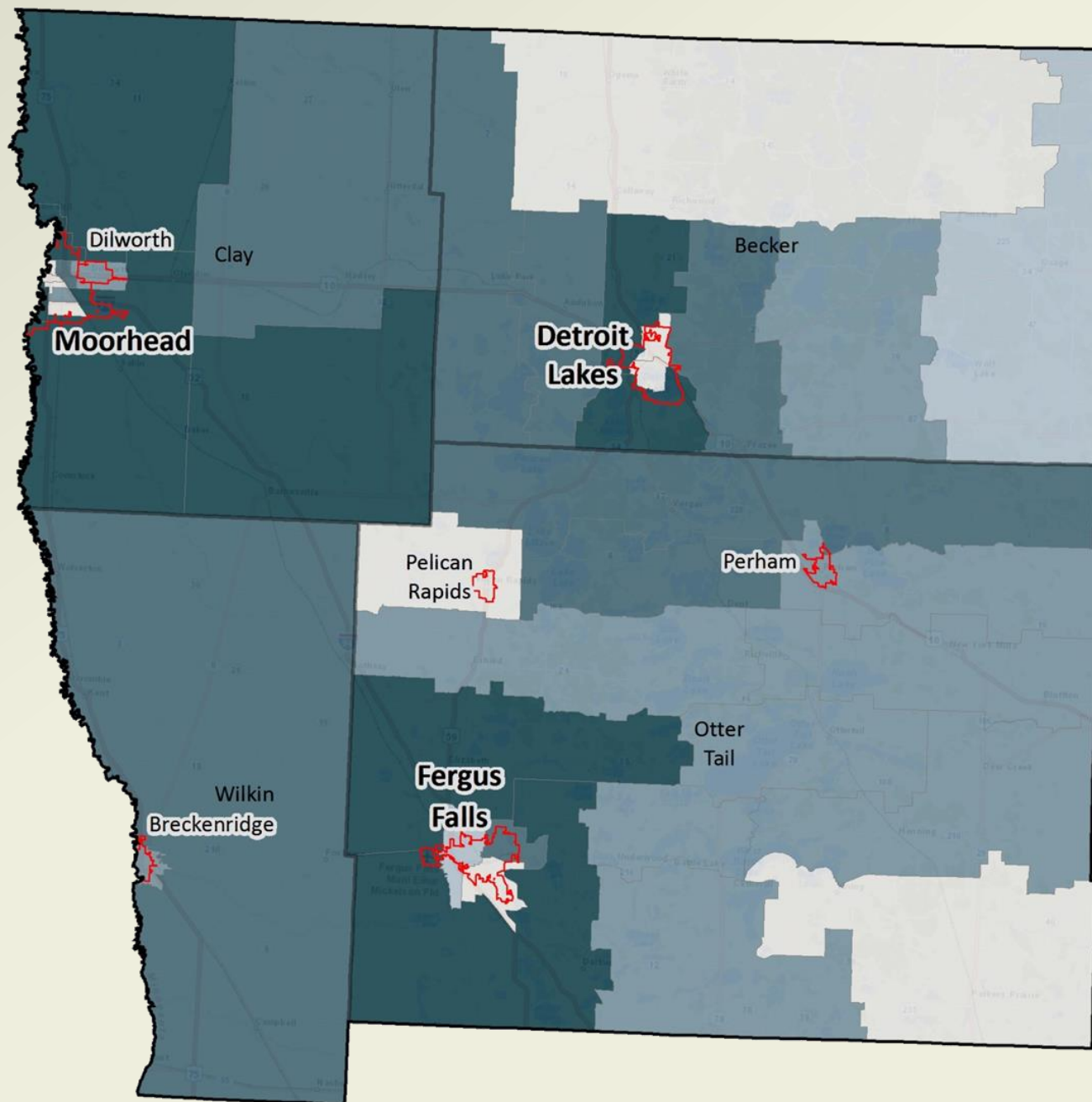
- **Housing costs**
 - Home prices and foreclosures
 - Rent levels
 - Demand – household growth
 - Supply - inventory
- **Income**
 - **Employment**
 - **Wages**

Median Household Income, 2012



Source: American Community Survey 2008-2012 sample data.

Median Household Income, 2012



Median Household
Income for Minnesota:
\$58,500

Unemployment Rate, February

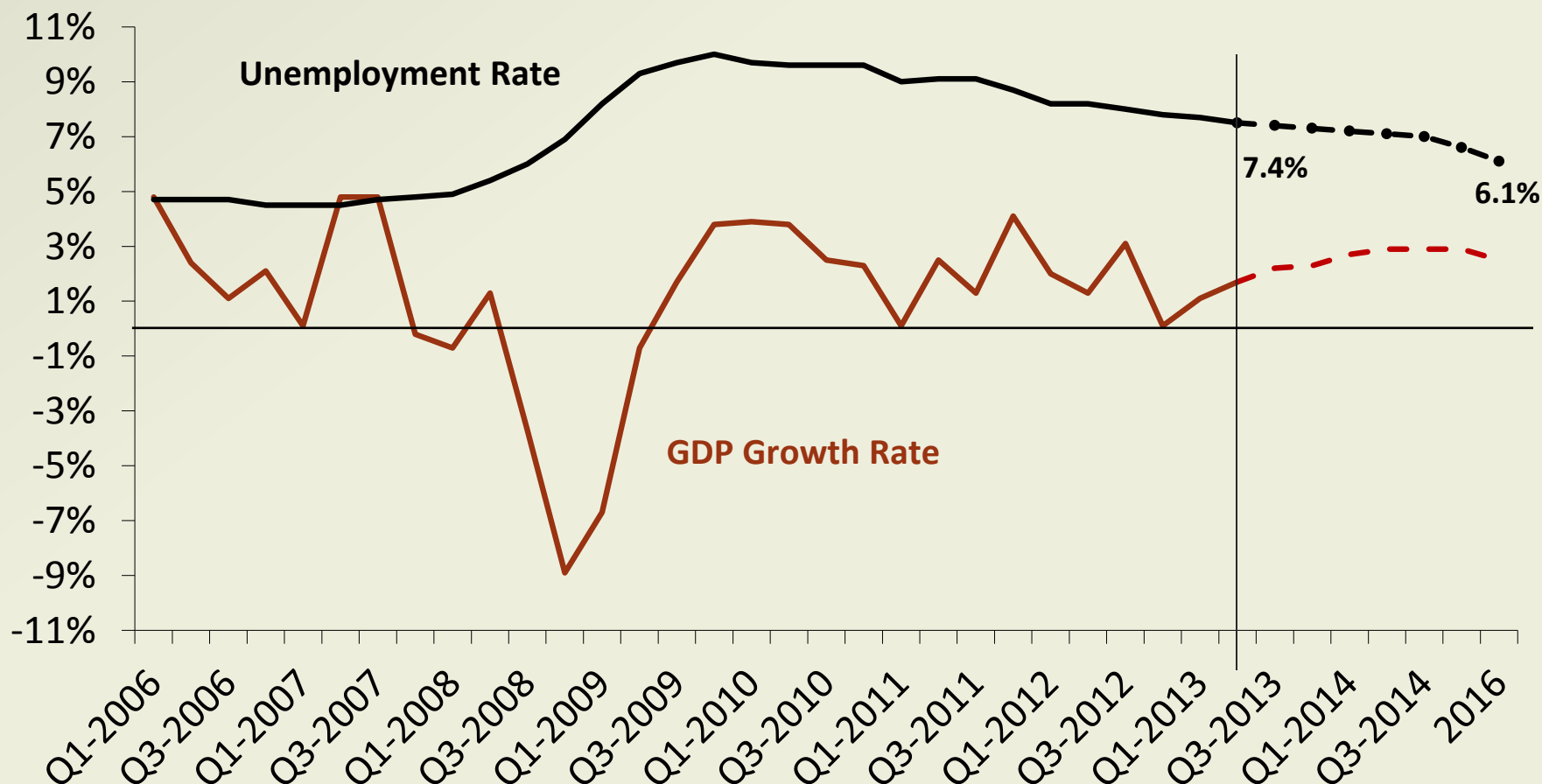
Legend:

- 3.6% - 5%
- 5.1% - 6.1%
- 6.2% - 6.9%
- 7% - 8.3%
- 8.4% - 16.1%

Source: MN Department of Economic Development
Local Area Unemployment Statistics

Source: MN Department of Employment and Economic Development,
Local Area Unemployment Statistics (Seasonally Unadjusted Figures)

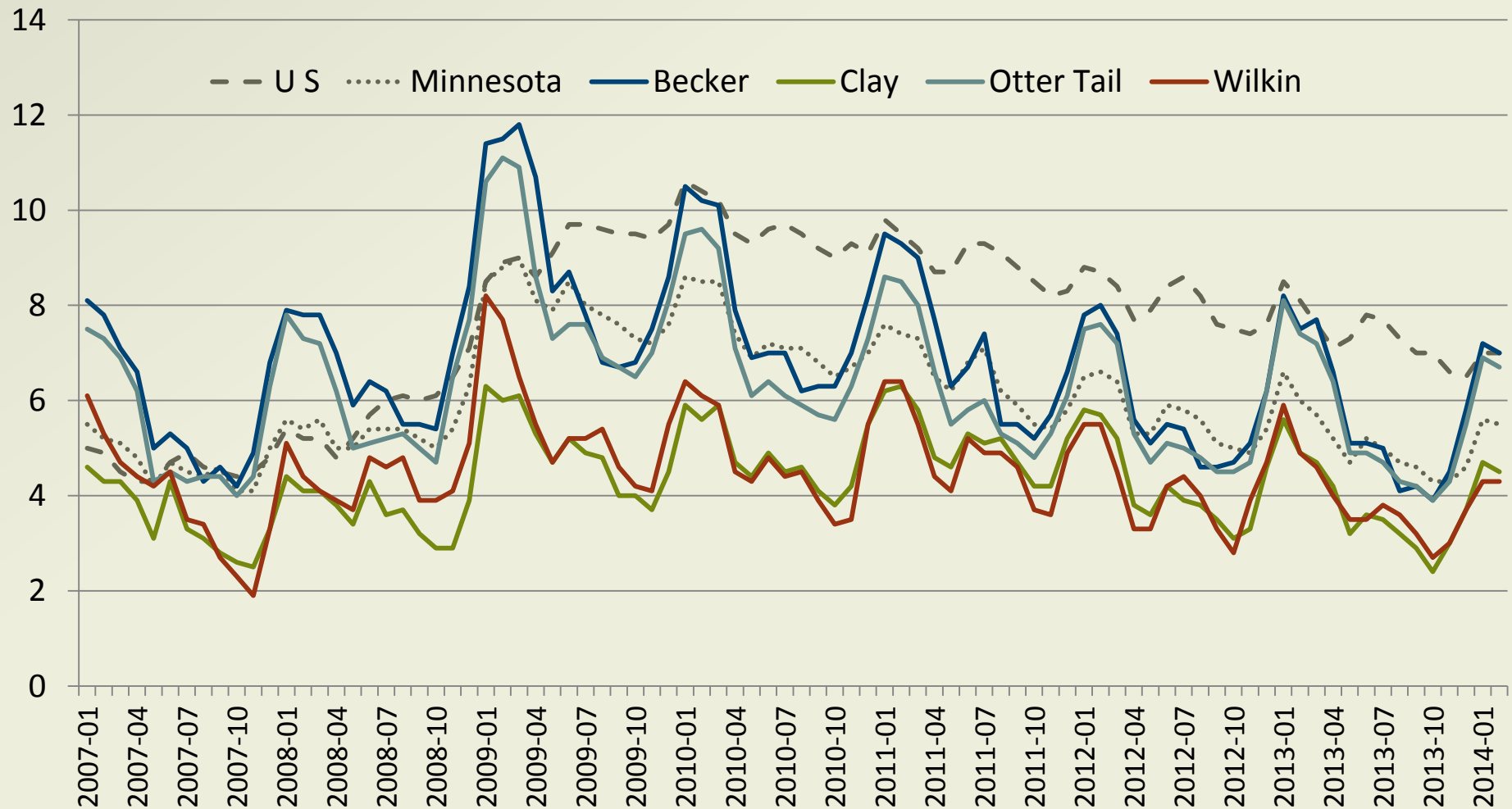
U.S.: Economic Forecast



Source: Federal Reserve Bank of Philadelphia survey of 41 economic forecasters, August 16, 2013

Unemployment Rates

(Not Seasonally Adjusted)



SOURCE: Minnesota Department of Employment and Economic Development, Local Area Unemployment Statistics

Job Growth by County

County	Jobs in 2009	Change 2006-2009	Jobs in 2013	Change 2009-2013
Becker	12,641	(424)	13,779	1,138
Clay	18,223	750	18,230	7
Otter Tail	21,256	(396)	22,075	819
Wilkin	2,045	(16)	1,997	(48)
Regional Total	54,165	(86)	56,081	1,916

Source: MN Dept. of Employment and Economic Development, Quarterly Census of Employment and Wages.

Change in Number of Jobs and Wages in Northern West Central Region 2006-2009

Industry	2006 Jobs	2009 Jobs	Change in Jobs 2006-2009	Average Weekly wage 2009
Public Administration	3,229	3,390	161	\$ 837
Information	678	770	92	\$ 794
Professional and Business Services	1,857	2,553	697	\$ 766
Financial Activities	NA	1,755	NA	\$ 760
Construction	3,161	2,744	(417)	\$ 754
Manufacturing	6,259	5,953	(306)	\$ 672
Education and Health Services	15,863	16,642	779	\$ 672
Trade, Transportation and Utilities	11,434	11,511	77	\$ 623
Natural Resources and Mining	1,239	1,348	109	\$ 563
Other Services	525	1,769	1,244	\$ 426
Leisure and Hospitality	5,471	5,675	204	\$ 212
Total, All Industries	54,251	54,165	(86)	\$ 635

Source: Minnesota Department of Employment and Economic Development, *Quarterly Census of Employment and Wages*.

Change in Number of Jobs and Wages in Northern West Central Region 2009-2013

Industry	2009 Jobs	2013 Jobs	Change in Jobs 2009-2013	Average Weekly wage 2013
Financial Activities	1,755	1,655	(100)	\$ 809
Public Administration	3,390	3,474	84	\$ 796
Manufacturing	5,953	7,053	1,100	\$ 744
Construction	2,744	2,676	(68)	\$ 722
Professional and Business Services	2,553	3,130	577	\$ 708
Education and Health Services	16,642	16,778	136	\$ 667
Trade, Transportation and Utilities	11,511	11,863	352	\$ 655
Natural Resources and Mining	1,348	1,327	(21)	\$ 614
Other Services	1,769	1,623	(146)	\$ 425
Leisure and Hospitality	5,675	5,784	109	\$ 227
Information	770	NA	NA	NA
Total, All Industries	54,165	56,081	1,916	\$ 646

Source: Minnesota Department of Employment and Economic Development ,*Quarterly Census of Employment and Wages*. Note: 2013 data are average of first three quarters.

Change in Number of Jobs and Wages in Becker County 2006-2009

Industry	2006 Jobs	2009 Jobs	Change in Jobs 2006-2009	Average Weekly wage 2009
Public Administration	950	1,066	116	\$ 851
Construction	755	696	(59)	\$ 825
Manufacturing	2,095	1,729	(366)	\$ 820
Financial Activities	NA	419	NA	\$ 766
Information	NA	134	NA	\$ 737
Education and Health Services	3,111	3,206	95	\$ 695
Professional and Business Services	NA	682	NA	\$ 532
Trade, Transportation and Utilities	2,817	2,596	(221)	\$ 532
Natural Resources and Mining	381	397	16	\$ 517
Other Services	471	389	(82)	\$ 382
Leisure and Hospitality	1,395	1,325	(70)	\$ 228
Total, All Industries	13,065	12,641	(424)	\$ 627

Source: Minnesota Department of Employment and Economic Development, *Quarterly Census of Employment and Wages*.

Change in Number of Jobs and Wages in Becker County 2009-2013

Industry	2009 Jobs	2013 Jobs	Change in Jobs 2009-2013	Average Weekly wage 2013
Financial Activities	419	414	(5)	\$ 816
Public Administration	1,066	1,109	43	\$ 811
Manufacturing	1,729	2,066	337	\$ 801
Construction	696	713	17	\$ 757
Education and Health Services	3,206	3,337	131	\$ 718
Trade, Transportation and Utilities	2,596	2,911	315	\$ 577
Natural Resources and Mining	397	428	31	\$ 569
Professional and Business Services	682	785	103	\$ 537
Other Services	389	358	(31)	\$ 435
Leisure and Hospitality	1,325	1,542	217	\$ 228
Information	134	NA	NA	NA
Total, All Industries	12,641	13,779	1,138	\$ 634

Source: Minnesota Department of Employment and Economic Development ,*Quarterly Census of Employment and Wages*. Note: 2013 data are average of first three quarters.

Change in Number of Jobs and Wages in Clay County 2006-2009

Industry	2006 Jobs	2009 Jobs	Change in Jobs 2006-2009	Average Weekly wage 2009
Professional and Business Services	817	807	(10)	\$ 1,059
Public Administration	1,035	1,067	32	\$ 883
Information	208	236	28	\$ 854
Manufacturing	883	871	(12)	\$ 853
Construction	1,107	969	(138)	\$ 807
Financial Activities	NA	581	NA	\$ 775
Education and Health Services	6,239	6,628	389	\$ 696
Trade, Transportation and Utilities	3,640	3,887	247	\$ 592
Natural Resources and Mining	241	302	61	\$ 582
Other Services	NA	635	NA	\$ 388
Leisure and Hospitality	2,059	2,236	177	\$ 236
Total, All Industries	17,473	18,223	750	\$ 649

Source: Minnesota Department of Employment and Economic Development, *Quarterly Census of Employment and Wages*. Note: Wages are in 2013\$

Change in Number of Jobs and Wages in Clay County 2009-2013

Industry	2009 Jobs	2013 Jobs	Change in Jobs 2009-2013	Average Weekly wage 2013
Professional and Business Services	807	1,066	259	\$ 990
Manufacturing	871	991	120	\$ 947
Public Administration	1,067	1,096	29	\$ 849
Financial Activities	581	500	(81)	\$ 768
Construction	969	754	(215)	\$ 748
Natural Resources and Mining	302	249	(53)	\$ 665
Education and Health Services	6,628	6,897	269	\$ 651
Trade, Transportation and Utilities	3,887	3,965	78	\$ 626
Other Services	635	594	(41)	\$ 474
Leisure and Hospitality	2,236	1,915	(321)	\$ 259
Information	236	NA	NA	NA
Total, All Industries	18,223	18,230	7	\$ 656

Source: Minnesota Department of Employment and Economic Development ,*Quarterly Census of Employment and Wages*. Note: 2013 data are average of first three quarters.

Summary of Income: Details

- Incomes are highest in communities outside of Moorhead, Detroit Lakes, and Fergus Falls.
- Overall, the number of jobs for the region has increased by 2% in the past 5 years.
- Unemployment rates in the region are among the lowest in the state.
- Average wages are increasing, but remain lower than the state overall.

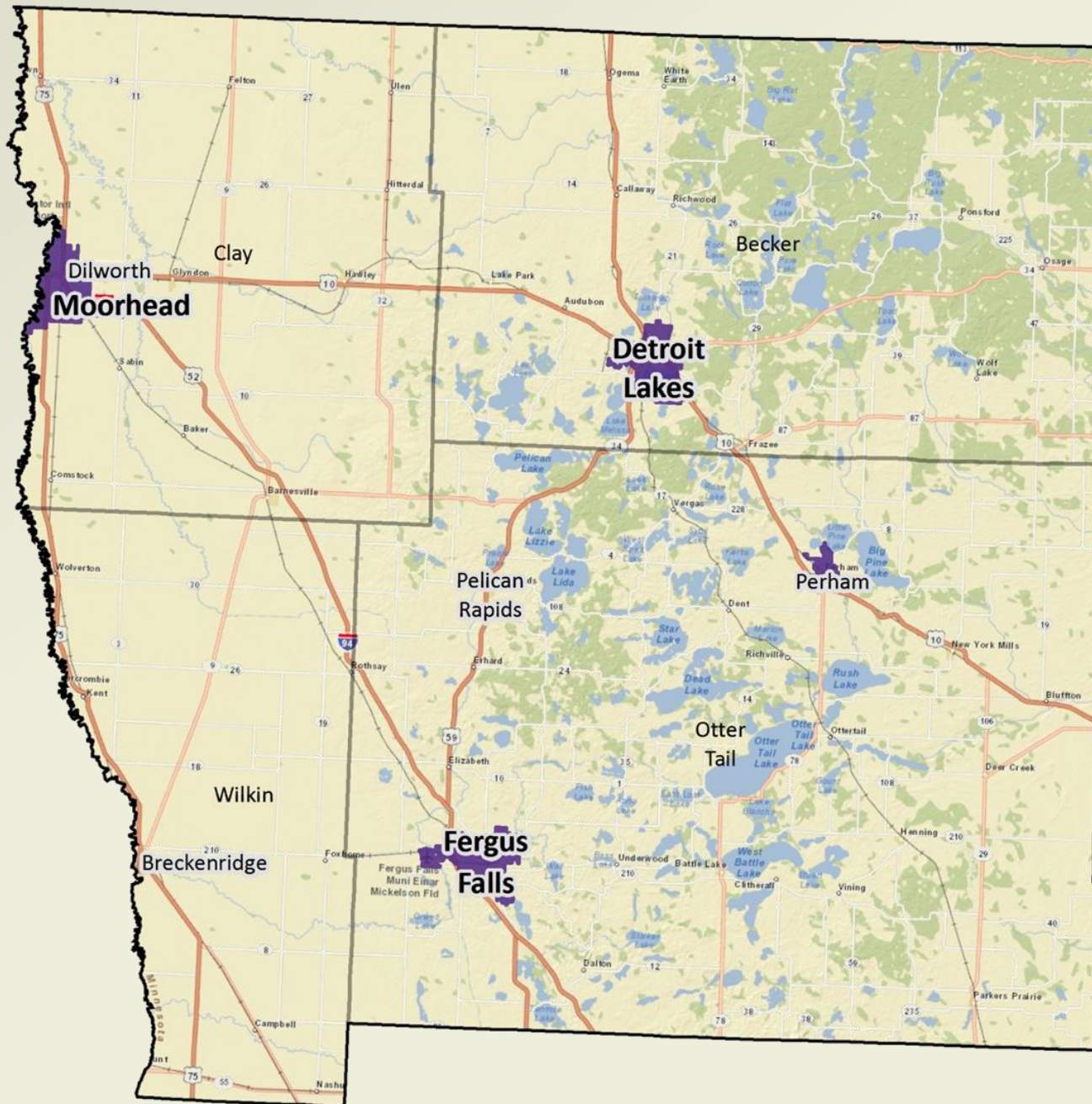
Framework for Assessment: Need for Affordable Housing

- Reducing number of cost burdened households
- Fostering strong communities

Framework for Assessment: Need for Affordable Housing

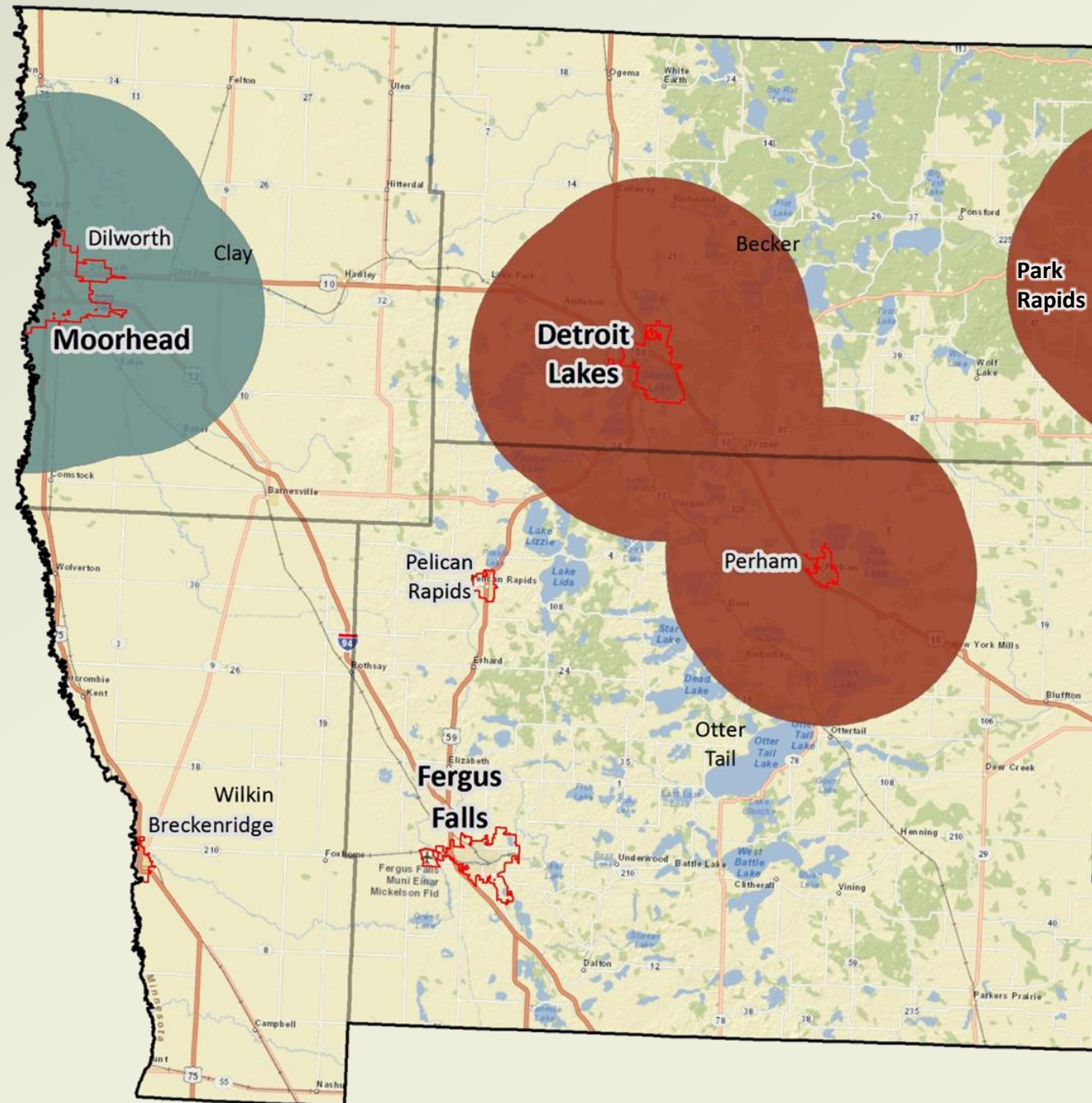
- Reducing number of cost burdened households:
- Fostering strong communities:
 - Workforce housing
 - Community recovery and stabilization

Cities with 2,000+ jobs, 2012



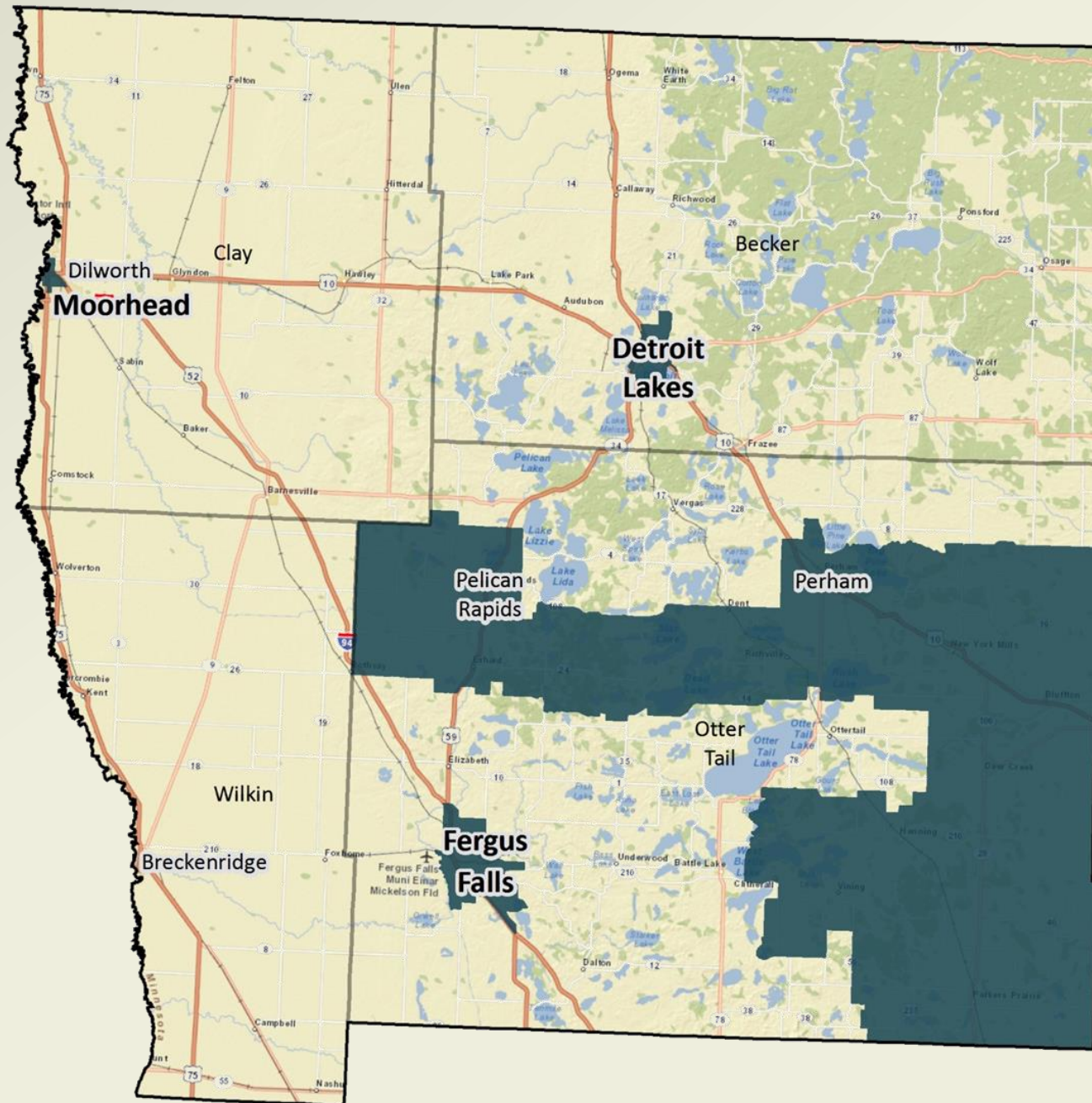
Job Centers

Workforce Housing Areas, planning



- Job Growth
- Top Job Area
- Top Job Area + Job Growth

Community Recovery Tracts, 2014 RFP



Community Recovery Tract



Source: Minnesota Housing analysis of Dept of Revenue CREV, and American Community Survey data for 2007-2011.

Overall Summary:

Key Local Trends